

City of Fenton, Michigan
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021



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City of Fenton

301 South Leroy Street · Fenton, Michigan 48430-2196 • (810) 629-2261 • FAX (810) 629-2004

December 6, 2021

Honorable Mayor Osborn and Fenton City Council:

In accordance with State statute and provisions of the City Charter, it is my pleasure to submit to you and the citizens of Fenton, the Annual Comprehensive Financial Report of the City of Fenton for the fiscal year ending June 30, 2021 (FY 2021). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. The administration believes, and has made its best efforts to insure, that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial status have been included.

In developing and monitoring the City's accounting system, significant consideration is given to the adequacy of our systems of fiscal checks and balances. Our internal accounting controls are regularly reviewed, not just by our auditors in the preparations of our annual audit, but also by the City Treasurer and the City administration throughout the year as we examine current and propose future practices and procedures. Based upon these regular reviews, I believe the internal accounting controls currently in place adequately safeguard assets and provide reasonable assurance of the proper recording of the city's financial transactions.

This report has been formulated following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA annually awards certificates of Achievement to those governments whose financial reports are judged to meet the high standards of public financial reporting and generally accepted accounting principles. We can point with some pride that for thirty-two consecutive years, beginning with Fiscal Year 1988, we have been the recipients of the GFOA's Certificate of Achievement. Congratulations to the City Treasurer and his team for this accomplishment.

Public Act 2 of 1968 of the State of Michigan, as amended, requires that the financial statements of the City of Fenton be audited by a certified public accounting firm. This requirement has been met by retaining the services of Yeo & Yeo, P.C. as our independent auditors. The opinion letter of our auditors is included in the financial section of their report.

During Fiscal Year 2021 the pandemic continued to be a factor for our economy and the way we conduct business. The creation of a vaccine for the SARS-CoV-2 virus gave us hope that the pandemic would come to a close. Many people received the vaccination shots in the first and second quarter of 2021. However, because of the reluctance of many to receive the vaccination and the mutation to the Delta Variant in mid-2021 the pandemic continued.

The City of Fenton has ended the fiscal year in a stable financial condition. In FY 2021 the General Fund had a \$299,000 surplus. The city currently has a General Fund Balance of over 70% of annual expenditures. The Sewer Fund shows a net cash increase of about \$120,000. During DY2021 the Water Fund made major investments in water main and replacing many lead service leads. Overall both funds ended the fiscal year in good shape.

During the fiscal year the City of Fenton Downtown Development Authority (DDA) continued to be very active. The 111 Leroy Place project was completed in June, 2021. This is a four-story building with the first floor restaurant and retail. The second floor is office with the third and fourth floor having a total of fourteen apartments. In response to assisting commerce in the DDA, the authority began a gift card program. The gift card program created \$900,000 in gift cards for the participating businesses.

Several other commercial properties made improvements as well as residential construction that continued. The real estate values and home ownership have continued to improve in the city. New home construction has continued to improve. The number of new homes being built continued to increase in FY 2021. Reported total construction value exceeded \$19.4 million.

The 2020 decennial census count showed a population gain of 2.6% in the previous 10 years. The current population of the City of Fenton is 12,050. The City of Fenton's population growth is an unusual trend in the State of Michigan. Population growth continued during the Great Recession and projections by Genesee County indicate that growth in the City of Fenton will continue through at least 2035. With all of the business activity in the city, the daytime population is estimated at 50,000. There is a continued level of interest for developing in Fenton, as reflected by interest from business and residential developers. The city's location near several major metropolitan markets and our relatively new position as the commercial hub for southern Genesee, northern Livingston, and northwestern Oakland counties, quality education systems, abundant natural resources, downtown development, commercial redevelopment and the overall quality of life improvements will continue to make Fenton an attractive community.

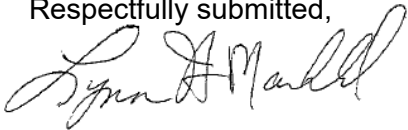
We have continued to implement some cost reductions to address the economic challenges we face. Wherever possible the City has made use of grants, or low interest funds to help meet the needs of the community. Examples of grants benefiting the City include road improvements, homeland security grants and grants for cultural/art events.

It should be noted that the preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efforts of our City Treasurer, Jon Satkowiak. His continued efforts to upgrade the City's accounting, financial reporting and information management systems have contributed significantly to the quality of the information being reported to the City Council and the citizens of Fenton.

In closing, let me express my hope that you will find this document to be a useful tool in evaluating the City's financial health. Helping you and the public obtain a thorough understanding of the City's financial condition is important to us all. Should you have any questions, comments, concerns, or suggestions regarding this document or the information it contains, Jon and I are available to respond.

My staff and I look forward to reviewing this information with you.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lynn Markland".

Lynn Markland
City Manager



City of Fenton

301 South Leroy Street · Fenton, Michigan 48430-2196 • (810) 629-2261 • FAX (810) 629-2004

December 6, 2021

To the Citizens of the City of Fenton:

The annual comprehensive financial report of the **City of Fenton** for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. The administration believes that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial status have been included.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Fenton's MD&A can be found immediately following the report of the independent auditor.

THE REPORTING ENTITY AND SERVICES PROVIDED

The City of Fenton has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City includes all the funds, boards, commissions, and authorities that are controlled by or dependent upon the Mayor and City Council. Based upon these criteria, the Downtown Development Authority, Local Development Finance Authority and Brownfield Redevelopment Authority have been included in this report.

The City provides various municipal services to its citizens. Among these are fire and police protection, garbage collection, parks maintenance and activities, street construction and maintenance, planning and zoning, and general administrative services. The City operates its own water system and sanitary sewer system.

GOVERNMENTAL STRUCTURE AND LOCAL ECONOMY

The City operates under the Council-Manager form of government. The City Council is comprised of the Mayor and six members. The members are elected on a staggered four-year term basis. The Mayor is elected every two years. The City Manager and City Attorney are appointed by and serve at the pleasure of the Council.

Fenton is located conveniently near the many terrific amenities of the Mid-Michigan area. The Genesee County city borders both Livingston and Oakland Counties, and its proximity to US-23 makes Fenton just a short drive from the major metropolitan areas of Ann Arbor, Lansing, Flint, Detroit, and more.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Shiawassee River, and historic downtown and residential neighborhoods, a solid industrial base and convenient freeway access. Periodic events and festivals, such as the 4th of July Freedom Festival, Concerts in the Park, Back to the Bricks, Applefest, and Jinglefest contribute to Fenton’s “small town” sense of community.

Many choices of housing are available in Fenton, whether it is single-family homes in beautiful neighborhoods, apartment communities in convenient locations, or condominiums tucked away in lovely wooded areas. For those whose careers take them outside of the city, they do not have far to travel since all major metropolitan areas such as Ann Arbor, Lansing, Flint, and the Detroit Area are located within an hour’s drive. New home construction is continuing to occur in unfinished subdivisions left from the 2007 recession.

The City’s Industrial Park has almost no vacant buildings and there is interest in the vacant properties. The Local Development Finance Authority (LDFA) raised the visibility of the Industrial Park by rebranding the name to the City of Fenton Business and Technology Park. The LDFA has installed new signage and landscaping in the park. The signs accentuate the entrance to the park and increases visibility from US-23 expressway.

The City is the heart of a beautiful recreation area. There are 58 lakes within a 10-mile radius of the City, which are used for fishing, boating, swimming, and other water sports. The City is fortunate to have an abundance of park facilities scattered throughout the city ranging in size from 40 acres to less than 1 acre. The spatial distribution of parks within the City is such that the majority of residents are located within a 10-minute walk from a park or school facility. Silver Lake Park in Fenton is 35.4 acres, features a municipal beach and picnic areas. Lake Fenton, with more than 11 miles of shoreline, is the largest lake in the area, encompassing 845 acres and with a maximum depth of 92 feet. The area around the City provides facilities for downhill and cross-county skiing, snowmobiling and ice fishing.

The Michigan Nature Association has a sanctuary located in the city limits. Visitors can walk down 4.5 miles of marked trails while gazing at hundreds of colorful wildflowers, indulging in bird watching and seeing plentiful deer. The sanctuary is 155 acres of land. The Michigan Nature Association is a non-profit statewide land conservation organization with a network of more than 170 nature sanctuaries across Michigan.

The Shiawassee River Heritage Trail is a major accomplishment of the Headwaters Trails, a non-profit group whose mission is to facilitate and promote the cooperation of local governments in Southeast Michigan to create new recreational opportunities including a creation of a network of trails for the area residents and visitors. The trail starts in Holly and goes to Byron, passing through Fenton. The Shiawassee River is now open for canoers and kayakers.

Fenton Area Public Schools is one of the finest school districts in the state, with three public elementary schools, a new middle school building which was built in 2000, and a high school. Fenton Area Public Schools is the first public school district in Michigan to offer the International Baccalaureate Programme district wide. A small portion of the City is in the Lake Fenton Community School District which has built a new state-of-the-art high school. In addition, the City is the home to a private parochial school for parents who choose a religion-based education for their children.

The 2010 U.S. Census was 11,746, a population increase of 11% or 1,164 persons from 2000.

Standard and Poors reviewed the City of Fenton credit rating in 2020. The credit rating remained at AA-. The Financial Management Assessment (FMA) score is “good”.

MAJOR INITIATIVES

For the Year

As part of the ongoing community strategic planning, with emphasis on entertainment, recreational activities, downtown walkability and an improved or new Library, the City has continued to meet these goals.

The Shiawassee St. resurfacing was completed. This project included a watermain extension, along with replacing Lead Service Leads to several houses with connection to the watermain.

The water department completed over 100 lead service line replacements, which will put us well ahead of the requirement set forth by the State of Michigan.

The 111 Building was completed and began filling with tenants in the Spring of 2021. The project was delayed by the Covid-19 Pandemic, but has brought new Businesses, Office Space, and Residential living to Downtown.

The roofs on City Hall, Police Station, and the Library we all replaced.

The bonds on the Fire Station and the DPW Garage were paid off in the Spring of 2021.

The City leased several outdoor sculptures from Midwest Sculpture Initiative and placed them in several community areas. Midwest Sculpture Initiative’s mission is to provide outdoor sculpture exhibitions throughout the Midwest, promote cooperation among art and civic organizations, in the Downtown District. The City has purchased four of the sculptures to be permanently displayed in the Downtown.

The DDA has formed partnerships with the Southern Lakes Parks and Recreation Authority and Fenton Chamber of Commerce. Financial sponsorship has been provided for the Farmer’s Market, Summer Concerts, and Taste in Fenton. The Back to the Bricks Tune Up party brought upwards of 10,000 people to downtown Fenton in one evening.

The DDA continued contracting with New Moon Visions marketing firm. New Moon Vision’s general marketing plan covers monthly fees and services for the FentonBeCloser.com website; Fenton Focus online magazine which promotes individual merchant stories and events; the ongoing social media management for

Facebook.com/FentonMichigan and Twitter.comDowntownFenton, posting merchant promotions and community events. New Moon Vision creates ads for print and handles media buys for signature events.

The DDA continued the façade improvement program, financially and professionally assisting businesses in improving the external portion to their buildings. A sign way finding project is being implemented to assist newcomers in finding their way around Fenton.

For the Future

For the ongoing protection of the City, the City Council has set a policy to maintain the combination of the General Fund and Budget Stabilization Fund Balances at 20% of net General Fund operating revenues and have met these requirements. Council will strive to continue meeting this goal in the future. The City prepares a five-year financial plan annually for the General Fund. The council uses this plan to make positive improvements to the structural financial issues.

The Silver Lake Road project will be completed during the Fall of 2021.

The city will begin working on the Main Street project in the spring of 2022, which it will utilize grant funding to complete. Preparations for the Torrey Road reconstruction will begin with construction set to take place in the Fall of 2022.

In the November election the city proposed a millage to sell bonds for Local Street work. The residents voted to approve the sale of 24,000,000 dollars in bonds to be sold over 3 different series. The city will begin the process of the selling the bonds and planning the road projects with hopes of beginning the first project in late spring/early summer of 2022.

The Millpond Park area is scheduled to be renovated. This includes Gazebo repairs, Dam repairs, and reconstruction of the walkway around the Gazebo and over the river.

BUDGETING AND INTERNAL CONTROLS

In developing and evaluating the City's accounting system, consideration has been given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintain accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Budgeting Controls. After thorough evaluation of all proposals, the City Council adopts an Annual Budget for the General Fund, Special Revenue Funds, and Debt Service Funds. The budget is legally enacted on a departmental (activity) basis. An online inquiry system is available to department heads in which they could review budget to actual figure on a daily basis. Quarterly budget reports are provided to council for their review.

OTHER INFORMATION

Independent Audit

The City Charter and State laws require an annual audit of the financial records and transactions of the City by a firm of independent licensed Certified Public Accountants. This requirement has been complied with and the City's financial statements have received an "unmodified opinion" from Yeo & Yeo, P.C. Certified Public Accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe the financial statements are not fairly stated in all material respects.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the **City of Fenton** for its annual comprehensive financial report for the fiscal year ended Jun 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

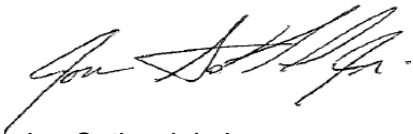
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The **City of Fenton** has received a Certificate of Achievement for the last thirty-two consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

The continuing efforts of department heads and office staff make possible the preparation of this annual comprehensive financial report. Commitment to fiscal integrity and financial leadership by the City Council is appreciated. The CPA firm of Yeo & Yeo, P.C. also made substantial contributions in the preparation of this documents.

Respectfully,



Jon Satkowiak Jr.
City Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Fenton
Michigan**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Fenton
List of City Officials
June 30, 2021

City Council

Barbara Sue Osborn – Mayor

Tracy Bottecelli

Scott Grossmeyer

Brad Jacob

Patricia Lockwood

David McDermott

Sean Sage

Appointed Officials

Lynn Markland, City Manager

Michael Hart, Assistant City Manager/
Director of Economic Development

Tonya Lall, City Assessor

Jennifer Kienast, City Clerk

Jon Satkowiak Jr, City Treasurer

Mike Reilly, Building & Zoning Administrator

Robert Cairnduff, Fire Chief

Jason Slater, Police Chief

Daniel Brisson, Director of Public Works

City of Fenton, Michigan Organizational Chart

Citizens of the City of Fenton

Mayor and
City Council

Planning Commission
Local Development Finance Authority
Building Authority
Museum Board
Zoning Board of Appeals
Downtown Development Authority
City Manager

Library Board
Compensation Commission
Cemetery Board
Board of Review
Beautification Commission
Parks and Recreation Board
City Attorney

Police
Chief

Fire
Chief

City
Clerk

Building and
Zoning
Administrator

City
Treasurer

City
Assessor

Public Works
Director

Assistant
City Manager

Support Staff



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Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council
City of Fenton, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fenton, Michigan (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fenton, Michigan, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and pension and other postemployment benefit schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements, budgetary comparisons, component unit fund statements, and statistical section, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Yeo & Yeo, P.C.

Auburn Hills, MI
December 6, 2021

City of Fenton
Management's Discussion and Analysis
June 30, 2021

Using this Annual Report

This annual report consists of a series of narratives and financial statements. This narrative should be considered in conjunction with the additional information presented in the letter of transmittal found on pages 1 - 1 through 1 - 7 and is intended to serve as an introduction to the City of Fenton's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the City of Fenton's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the City's assets, deferred inflows/outflows of resources, and liabilities, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fenton is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As a result, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover costs from user fees and charges for services (business-type activities). The governmental activities include general government, public works, parks and recreation, community service, and cemetery. The business-type activities include the water and sewer operation of the City. The government-wide financial statements include not only the City of Fenton (known as the primary government), but also the legally separate Downtown Development Authority and Local Development Authority for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the City.

Fund Financial Statements (which report the City's operation in more detail than the government-wide financial statements) follow the above-mentioned statements and illustrate how the services provided by the City were financed in the short term, as well as what remains for future spending. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities and to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower, it is useful to compare this information with similar information presented for governmental activities in the government-wide financial statements. This comparison may allow the readers to better understand the long-term impact of the City's short-term financing decisions.

Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Fenton
Management's Discussion and Analysis
June 30, 2021

The City of Fenton maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and Major Street Fund which are considered to be major funds. Data for the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Fenton adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for all the governmental funds to demonstrate budgetary compliance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in the business-type activities in the government-wide financial statements. The City of Fenton uses Enterprise Funds to account for its water and sewer operations. These funds are considered major funds of the City. Internal Service Funds are an accounting device used to accumulate and allocate cost internally among various functions. The City of Fenton uses an Internal Service Fund to account for its equipment usage and also to accumulate resources for employee sick pay. Because this program predominantly benefits governmental rather than business-type functions, it has been consolidated within the governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information concerning the City's budgetary comparison statements for the General and major Special Revenue funds as well as budget footnotes. This required supplementary information is in addition to the basic financial statements and accompanying notes.

Other Financial and Supplementary Information, such as the combining statements and certain budget comparison statements referred to earlier, as well as various financial schedules and the statistical information, are presented immediately following the required supplementary information.

Table I summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

City of Fenton
Management's Discussion and Analysis
June 30, 2021

**Table 1 Major Features of the City of Fenton, Michigan's
Government-wide and Fund Financial Statements
Fund Statements**

Type of Statements	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and major/local streets	Activities the City operates similar to private business: the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and no measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during year, regardless of when cash is received or paid

City of Fenton
Management's Discussion and Analysis
June 30, 2021

The City of Fenton as a Whole

The following table shows, in a condensed format, the net position as of the current date and compared to the prior year (in millions of dollars):

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current & other assets	\$ 9.4	\$ 10.6	\$ 6.0	\$ 5.3	\$ 15.4	\$ 15.9
Capital assets	20.0	20.3	30.0	29.8	50.0	50.1
Total assets	29.4	30.9	36.0	35.1	65.4	66.0
Deferred outflows of resources	2.3	2.7	0.5	0.7	2.8	3.4
Long-term liabilities	12.8	13.2	6.9	6.0	19.7	19.2
Other liabilities	1.5	2.3	1.3	1.5	2.8	3.8
Total liabilities	14.3	15.5	8.2	7.5	22.5	23.0
Deferred inflows of resources	0.4	0.6	0.1	0.2	0.0	0.8
Net position:						
Net investment in capital assets	19.5	19.6	24.8	25.4	44.3	45.0
Restricted	0.5	0.7	0.5	0.5	1.0	1
Unrestricted	(3.0)	(2.8)	2.9	2.2	(0.1)	(0.6)
Total net position	\$ 17.0	\$ 17.5	\$ 28.2	\$ 28.1	\$ 45.2	\$ 45.6

The City's combined net position increased 0.9 percent from a year ago, increasing from \$45.2 million to \$45.6 million. A review of the governmental activities, separate from the business-type activities, shows the net position increased from \$17.0 million to \$17.5 million during fiscal year 2021. Unrestricted net position for the governmental activities, which is the portion of net position that is available to finance day-to-day operations and future growth, was \$(2.8) million at June 30, 2021. The business-type activities experienced a decrease in net position of approximately \$0.1 million or 0.4 percent.

City of Fenton
Management's Discussion and Analysis
June 30, 2021

The following table shows the changes of the net position during the current year and as compared to the prior year (in millions of dollars):

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenue						
Program revenue:						
Charges for services	\$ 1.6	\$ 2.0	\$ 5.5	\$ 5.7	\$ 7.1	\$ 7.7
Operating grants and Contributions	1.5	1.9	0.0	0.0	1.5	1.9
Capital grants and Contributions	0.1	0.1	0.3	0.3	0.0	0.1
General revenue:						
Property taxes	4.1	4.3	0.0	0.0	4.1	4.3
State-shared revenue	1.1	1.2	0.0	0.0	1.1	1.2
Unrestricted Miscellaneous	0.2	0.2	0.2	0.1	0.3	0.4
Total revenue	8.5	9.7	6.0	6.1	14.5	15.8
Program Expenses						
General government	1.8	1.9	0.0	0.0	1.8	1.9
Public safety	4.0	3.9	0.0	0.0	4.0	3.9
Public works	3.4	3.1	0.0	0.0	3.4	3.1
Parks & recreation	0.4	0.3	0.0	0.0	0.0	0.2
Community service	0.1	0.1	0.0	0.0	0.1	0.1
Water	0.0	0.0	3.2	3.0	3.2	3.0
Sewer	0.0	0.0	3.2	3.3	3.2	3.3
Total program expenses	9.7	9.2	6.3	6.2	16.0	15.5
Change in Net Position	(1.2)	0.5	(0.4)	(0.1)	(1.5)	0.4
Net position						
Beginning of year	18.2	17.0	28.6	28.2	46.8	45.2
Ending Net Position	\$ 17.0	\$ 17.5	\$ 28.2	\$ 28.1	\$ 45.3	\$ 45.6

City of Fenton
Management's Discussion and Analysis
June 30, 2021

Governmental Activities

The City's total governmental revenues increased by about \$1,200,000.

Expenses decreased by approximately \$0.5 million, or 4.9 percent, from last fiscal year. Public Works expenses were the largest portion decreasing by roughly \$300,000.

Business-type Activities

The City's business-type activities are recorded in the Water and Sewer Funds. The City provides water from wells located in the City. A new water treatment plant built in 2004 processes the water for all residents. The expenses for the Water Fund increased approximately \$300,000 from FY 2021.

The City is a participant in a county-wide sanitary sewer construction program under Act 342 Michigan Compiled Laws. The City contracts with Genesee County Water and Waste Services for the operation of the plant. The City has pledged the full faith and credit of the City for the payment of the City's share of principal and interest payments. The assets and liabilities relating to those contracts have been recorded in the Sewer Fund. The City of Fenton, Fenton Township, and City of Linden share a plant located in Fenton Township. The City's proportionate share of the operating costs of the plant is covered by our sewer rates. The expenses for the Sewer Fund decreased approximately \$200,000 from FY 2021. During FY 2021, \$245,965 in operating loss was incurred in the Sewer Fund and \$87,697 in operating loss was incurred in the Water Fund.

The City's Funds

Our analysis of the City's major funds begins on page 4 - 4, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes as well as show accountability for certain activities, such as State of Michigan Act 51 major and local road revenue sharing.

The City's major governmental funds for 2021 were the General Fund and Major Street Fund.

The General Fund pays for most of the City's governmental services. The most significant of these are police and fire services, which incurred expenditures of \$3.4 million in 2021. The general operating millage levied by the City supports these two services. FY 2021 revenues increased in the General Fund by \$794,398, mainly due to the federal grants of about \$300,000 and increase in taxable values. The General expenditures, excluding transfers out, increased by \$597,672. A majority of the increase was due to increase in wages. Fund Balance in the General Fund increased by \$299,475.

The Major Street Fund pays funds the operations of the major streets. FY 2021 revenues increased in the Major Street Fund by \$100,727, mainly due to the increase in ACT 51 monies. The Major Street expenditures, excluding transfers out, decreased by \$377,009. A majority of the decrease was due to less projects in the current fiscal year. Fund Balance in the General Fund increased by \$188,884.

City of Fenton
Management's Discussion and Analysis
June 30, 2021

Over the course of the year, City administration and City Council monitor and amend the budget to take into account unanticipated events that occur during the year. At year end, actual General Fund revenues were over budget by \$384,045. Expenditures were \$29,552 over budget. Various departments contributed to the positive budget variance.

Capital Assets and Debt Administration

At the end of fiscal 2021, the City had \$50.5 million invested in a wide range of capital assets, including land, buildings, police and fire equipment, computer equipment, infrastructure assets and water and sewer lines. The value of the infrastructure assets, net of depreciation, contained in this report is \$11.0 million and \$10.5 million for fiscal 2020 and 2021, respectively.

	Governmental Activities	Business- Type Activities	Component Unit Activities	Total
Land	\$ 1,605,104	\$ 190,930	\$ 425,000	\$ 2,221,034
Construction in progress	585,532	-	-	585,532
Buildings, net	4,695,566	-	2,281	4,697,847
Building and land improvements, net	552,020	5,539,769	-	6,091,789
Machinery, vehicles and equipment, net	2,383,246	625,762	-	3,009,008
Road, lights, and bridges, net	10,501,371	-	-	10,501,371
Sewer and water lines, net	-	23,473,957	-	23,473,957
Capital assets, net	<u>\$ 20,322,839</u>	<u>\$ 29,830,418</u>	<u>\$ 427,281</u>	<u>\$ 50,580,538</u>

At the end of the 2021 fiscal year, the City of Fenton (primary government) had net outstanding debt of \$6,099,200. This entire amount comprises backed by the full faith and credit of the City of Fenton and the primary government's net assets. The City of Fenton's gross outstanding debt decreased by \$424,226 during the fiscal year.

Additional information on the City of Fenton's capital assets can be found in note 4 of the notes to the financial statements.

City of Fenton
Management's Discussion and Analysis
June 30, 2021

Standard and poor's reviewed the City of Fenton credit rating during a prior year. The rating was determined to be AA-. The Financial Management Assessment (FMA) score is "good". The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita are as follows:

	<u>2020</u>	<u>2021</u>
Net direct bonded debt	\$ 335,000	\$275,000
Ratio of debt to assessed valuation	0.0008	0.0006
Debt per capita	\$ 29	\$ 23

Additional information on the City of Fenton's long term debt can be found in note 5 of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City levied an operating millage of 11 mills from 1989 to 2001. The City charter's operating millage is 13 mills. During these years the Headlee Amendment authorized millage was higher than 11 mills but the City Council chose not to levy the full authorized millage. In the past fourteen years the Headlee Amendment has rolled the City's operating millage below 11 mills. In 2020 the City levied 10.00 mills and 2021, 9.88 mills were levied. In March 1994, Proposal A was enacted, which limits the growth on existing property to the rate of inflation. The inflation rate allowed for fiscal 2019 under Proposal A was 2.1 percent. Property taxes make up 61 percent of our General Fund budget revenue and Proposal A and the Headlee Amendment limit the growth of this revenue. Fortunately, the City is still experiencing new commercial development. Most of this tax revenue growth is captured by the DDA but the DDA has completed many projects which benefit the City as a whole plus shared a portion of their revenue with the General Fund this fiscal year. Residential growth in the City is picking up.

The General Fund budget for 2022 is structured so that expenditures will exceed revenues and utilized some fund balance. This is done to include a contribution to the Capital Projects funds which will allow for road projects to be completed. The City makes an effort to operate with relative low personnel costs and an efficient labor force. Medical insurance costs continue to increase every year. The City prepares a Five Year Financial Plan for the General Fund, foreseeing the possible financial condition for more than just one year.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the resources it receives. If you have any questions about this report or need additional information, we invite you to contact the administration offices at City Hall.

City of Fenton
Statement of Net Position
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash	\$ 9,174,240	\$ 2,723,246	\$ 11,897,486	\$ 3,744,983
Restricted assets				
Cash	-	520,557	520,557	-
Receivables				
Taxes	74,918	-	74,918	-
Customers	399,367	1,951,649	2,351,016	24,000
Special assessments	239,985	-	239,985	-
Accrued interest and other	-	-	-	10,273
Due from other units of government	648,338	-	648,338	-
Internal balances	(72,786)	72,786	-	-
Inventories	37,742	43,876	81,618	-
Prepaid items	63,029	19,802	82,831	5,033
Total current assets	<u>10,564,833</u>	<u>5,331,916</u>	<u>15,896,749</u>	<u>3,784,289</u>
Noncurrent assets				
Capital assets not being depreciated	2,190,636	190,930	2,381,566	425,000
Capital assets, net of accumulated depreciation	<u>18,132,203</u>	<u>29,639,488</u>	<u>47,771,691</u>	<u>2,281</u>
Total noncurrent assets	<u>20,322,839</u>	<u>29,830,418</u>	<u>50,153,257</u>	<u>427,281</u>
Total assets	<u>30,887,672</u>	<u>35,162,334</u>	<u>66,050,006</u>	<u>4,211,570</u>
Deferred Outflows of Resources				
Deferred amount relating to net pension liability	1,407,957	464,615	1,872,572	-
Deferred amount relating to total OPEB liability	1,295,693	183,092	1,478,785	-
Deferred charges on refunding of bonds	-	32,554	32,554	-
Total deferred outflows of resources	<u>2,703,650</u>	<u>680,261</u>	<u>3,383,911</u>	<u>-</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Statement of Net Position
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 799,554	\$ 572,282	\$ 1,371,836	\$ 36,352
Accrued and other liabilities	200,375	89,758	290,133	43,054
Due to other units of government	42,497	-	42,497	1,902
Due to individuals and agencies	114,837	-	114,837	-
Deposits payable	806,711	-	806,711	-
Unearned revenue	16,310	-	16,310	-
Current portion of long-term debt	174,539	808,365	982,904	336,000
Current portion of compensated absences	103,021	17,721	120,742	-
Total current liabilities	<u>2,257,844</u>	<u>1,488,126</u>	<u>3,745,970</u>	<u>417,308</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	804,442	3,708,144	4,512,586	3,277,981
Noncurrent portion of compensated absences	412,085	70,883	482,968	-
Net pension liability	4,754,440	1,293,652	6,048,092	-
Total OPEB liability	<u>7,262,495</u>	<u>926,214</u>	<u>8,188,709</u>	<u>-</u>
Total noncurrent liabilities	<u>13,233,462</u>	<u>5,998,893</u>	<u>19,232,355</u>	<u>3,277,981</u>
Total liabilities	<u>15,491,306</u>	<u>7,487,019</u>	<u>22,978,325</u>	<u>3,695,289</u>
Deferred Inflows of Resources				
Deferred amount relating to net pension liability	384,714	209,531	594,245	-
Deferred amount relating to total OPEB liability	<u>230,314</u>	<u>33,897</u>	<u>264,211</u>	<u>-</u>
Total deferred inflows of resources	<u>615,028</u>	<u>243,428</u>	<u>858,456</u>	<u>-</u>
Net Position				
Net investment in capital assets	19,343,858	25,346,463	44,690,321	427,281
Restricted for				
Highways and streets	556,973	-	556,973	-
Public safety	9,658	-	9,658	-
Bond reserve	-	520,557	520,557	-
Debt service	125,833	-	125,833	-
Unrestricted (deficit)	<u>(2,551,334)</u>	<u>2,245,128</u>	<u>(306,206)</u>	<u>89,000</u>
Total net position	<u>\$ 17,484,988</u>	<u>\$ 28,112,148</u>	<u>\$ 45,597,136</u>	<u>\$ 516,281</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 1,884,896	\$ 392,657	\$ 339,763	\$ -	\$ (1,152,476)	\$ -	\$ (1,152,476)	\$ -
Public safety	3,945,251	950,643	20,187	50,000	(2,924,421)	-	(2,924,421)	-
Public works	3,054,905	628,841	1,554,577	-	(871,487)	-	(871,487)	-
Community and economic development	46,836	-	-	661	(46,175)	-	(46,175)	-
Recreation and culture	282,653	46,319	1,220	-	(235,114)	-	(235,114)	-
Interest and fiscal charges on long-term debt	20,506	-	-	-	(20,506)	-	(20,506)	-
Total governmental activities	<u>9,235,047</u>	<u>2,018,460</u>	<u>1,915,747</u>	<u>50,661</u>	<u>(5,250,179)</u>	<u>-</u>	<u>(5,250,179)</u>	<u>-</u>
Business-type activities								
Sewer	2,960,922	2,673,906	-	291,971	-	4,955	4,955	-
Water	3,283,528	3,034,238	13,337	-	-	(235,953)	(235,953)	-
Total business-type activities	<u>6,244,450</u>	<u>5,708,144</u>	<u>13,337</u>	<u>291,971</u>	<u>-</u>	<u>(230,998)</u>	<u>(230,998)</u>	<u>-</u>
Total primary government	<u>\$ 15,479,497</u>	<u>\$ 7,726,604</u>	<u>\$ 1,929,084</u>	<u>\$ 342,632</u>	<u>(5,250,179)</u>	<u>(230,998)</u>	<u>(5,481,177)</u>	<u>-</u>
Component units								
Downtown Development Authority	\$ 1,111,123	\$ -	\$ -	\$ -	-	-	-	(1,111,123)
Local Development Finance Authority	96,909	-	-	-	-	-	-	(96,909)
Brownfield Redevelopment Authority	158,607	-	-	-	-	-	-	(158,607)
Total component unit activities	<u>\$ 1,366,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,366,639)</u>
General revenues								
Property taxes - unrestricted					4,274,590	-	4,274,590	2,298,460
State-shared revenue - unrestricted					1,222,224	-	1,222,224	-
Unrestricted investment earnings					9,174	15,642	24,816	3,129
Gain on sale of capital assets					70,000	-	70,000	-
Miscellaneous					135,720	118,300	254,020	-
Total general revenues					<u>5,711,708</u>	<u>133,942</u>	<u>5,845,650</u>	<u>2,301,589</u>
Change in net position					461,529	(97,056)	364,473	934,950
Net position - beginning of year					<u>17,023,459</u>	<u>28,209,204</u>	<u>45,232,663</u>	<u>(418,669)</u>
Net position - end of year					<u>\$ 17,484,988</u>	<u>\$ 28,112,148</u>	<u>\$ 45,597,136</u>	<u>\$ 516,281</u>

See Accompanying Notes to the Financial Statements

**City of Fenton
Governmental Funds
Balance Sheet
June 30, 2021**

	General	Major Street	Nonmajor Governmental Funds	Total
Assets				
Cash	\$ 5,604,087	\$ 595,100	\$ 2,220,714	\$ 8,419,901
Receivables				
Taxes	74,918	-	-	74,918
Customers	96,532	-	302,835	399,367
Special assessments	88,633	-	151,352	239,985
Due from other units of government	417,372	168,678	62,288	648,338
Due from other funds	147,870	-	200	148,070
Inventories	37,742	-	-	37,742
Prepaid items	59,091	-	3,938	63,029
Total assets	<u>\$ 6,526,245</u>	<u>\$ 763,778</u>	<u>\$ 2,741,327</u>	<u>\$ 10,031,350</u>
Liabilities				
Accounts payable	\$ 325,802	\$ 335,803	\$ 121,801	\$ 783,406
Accrued and other liabilities	158,504	3,940	31,106	193,550
Due to other funds	74,214	-	147,298	221,512
Due to other units of government	42,497	-	-	42,497
Due to individuals and agencies	114,837	-	-	114,837
Deposits payable	806,711	-	-	806,711
Unearned revenue	-	-	16,310	16,310
Total liabilities	<u>1,522,565</u>	<u>339,743</u>	<u>316,515</u>	<u>2,178,823</u>
Deferred Inflows of Resources				
Unavailable revenue	72,615	-	159,814	232,429
Fund Balances				
Non-spendable	96,833	-	3,938	100,771
Restricted	-	424,035	273,657	697,692
Committed	-	-	1,987,403	1,987,403
Unassigned	4,834,232	-	-	4,834,232
Total fund balances	<u>4,931,065</u>	<u>424,035</u>	<u>2,264,998</u>	<u>7,620,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,526,245</u>	<u>\$ 763,778</u>	<u>\$ 2,741,327</u>	<u>\$ 10,031,350</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds \$ 7,620,098

Total net position for governmental activities in the statement of net position is different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds. 17,335,758

Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds. 2,190,636

Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds. 232,429

Certain liabilities are not due and payable in the current period and are not reported in the funds.

Accrued interest	(5,228)
Bonds payable	(698,821)
Compensated absences	(290,421)
Net pension liability	(4,754,440)
Total OPEB liability	(7,262,495)

Governmental funds report actual pension and OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability and the total OPEB liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources relating to the net pension liability	1,407,957
Deferred inflows of resources relating to the net pension liability	(384,714)
Deferred outflows of resources relating to the total OPEB liability	1,295,693
Deferred inflows of resources relating to the total OPEB liability	(230,314)

Internal service funds are included as part of governmental activities. 1,028,850

Net position of governmental activities \$ 17,484,988

City of Fenton
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General	Major Street	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 4,274,590	\$ -	\$ -	\$ 4,274,590
Licenses and permits	506,212	-	-	506,212
Federal grants	300,762	-	-	300,762
Intergovernmental	1,241,676	1,126,991	490,963	2,859,630
Other state grants	-	-	19,549	19,549
Charges for services	415,284	-	971,749	1,387,033
Fines and forfeitures	61,200	-	-	61,200
Interest income	6,028	660	15,579	22,267
Other	193,551	-	110,083	303,634
Total revenues	<u>6,999,303</u>	<u>1,127,651</u>	<u>1,607,923</u>	<u>9,734,877</u>
Expenditures				
Current				
General government	1,638,155	-	68,006	1,706,161
Public safety	3,967,579	-	372,763	4,340,342
Public works	198,875	1,138,767	1,103,789	2,441,431
Community and economic development	50,217	-	2,979	53,196
Recreation and culture	150,036	-	155,672	305,708
Other	289,719	-	4,317	294,036
Capital outlay	-	-	344,871	344,871
Debt service				
Principal retirement	36,804	-	80,297	117,101
Interest and fiscal charges	4,633	-	13,375	18,008
Total expenditures	<u>6,336,018</u>	<u>1,138,767</u>	<u>2,146,069</u>	<u>9,620,854</u>
Excess (deficiency) of revenues over expenditures	<u>663,285</u>	<u>(11,116)</u>	<u>(538,146)</u>	<u>114,023</u>
Other financing sources (uses)				
Transfers in	-	250,000	477,020	727,020
Transfers out	(363,810)	(50,000)	(251,020)	(664,830)
Note proceeds	-	-	306,909	306,909
Total other financing sources (uses)	<u>(363,810)</u>	<u>200,000</u>	<u>532,909</u>	<u>369,099</u>
Net change in fund balances	299,475	188,884	(5,237)	483,122
Fund balances - beginning of year	<u>4,631,590</u>	<u>235,151</u>	<u>2,270,235</u>	<u>7,136,976</u>
Fund balances - end of year	<u>\$ 4,931,065</u>	<u>\$ 424,035</u>	<u>\$ 2,264,998</u>	<u>\$ 7,620,098</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 483,122
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(1,242,430)
Capital outlay	1,311,477
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(38,863)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	1,027
Compensated absences	47,184
The statement of net position reports the net pension liability and the total OPEB liability and deferred outflows of resources and deferred inflows of resources related to the net pension liability and the total OPEB liability and pension and OPEB expense. However, the amount recorded in the governmental funds equals actual pension and OPEB contributions.	
Change in the net pension liability	314,908
Net change in the deferred outflows of resources related to the net pension liability	291,866
Net change in the deferred inflows of resources related to the net pension liability	(261,580)
Change in the total OPEB liability	(448,615)
Net change in the deferred outflows of resources related to the total OPEB liability	104,224
Net change in the deferred inflows of resources related to the total OPEB liability	52,223
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Note proceeds	(306,909)
Repayments of long-term debt	117,101
Internal service funds are also included as governmental activities	36,794
Change in net position of governmental activities	\$ 461,529

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Net Position
June 30, 2021

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Assets				
Current assets				
Cash	\$ 2,723,246	\$ -	\$ 2,723,246	\$ 754,339
Cash - restricted	-	520,557	520,557	-
Receivables	885,736	1,065,913	1,951,649	-
Due from other funds	431,490	161	431,651	656
Inventories	-	43,876	43,876	-
Prepaid items	6,445	13,357	19,802	-
Total current assets	4,046,917	1,643,864	5,690,781	754,995
Noncurrent assets				
Capital assets, net of accumulated depreciation	16,292,224	13,347,264	29,639,488	796,445
Capital assets not being depreciated	157,803	33,127	190,930	-
Total noncurrent assets	16,450,027	13,380,391	29,830,418	796,445
Total assets	20,496,944	15,024,255	35,521,199	1,551,440
Deferred Outflows of Resources				
Deferred amount relating to the net pension liability	128,528	336,087	464,615	-
Deferred amount relating to the total OPEB liability	14,788	168,304	183,092	-
Deferred amount relating to bond refunding	-	32,554	32,554	-
Total deferred outflows of resources	143,316	536,945	680,261	-

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Net Position
June 30, 2021

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 368,724	\$ 203,558	\$ 572,282	\$ 16,148
Accrued and other liabilities	22,971	66,787	89,758	1,597
Due to other funds	10,207	348,658	358,865	-
Current portion of long-term debt	85,000	723,365	808,365	40,382
Current portion of compensated absences	2,041	15,680	17,721	44,937
Total current liabilities	488,943	1,358,048	1,846,991	103,064
Noncurrent liabilities				
Net pension liability	85,149	1,208,503	1,293,652	-
Total OPEB liability	81,887	844,327	926,214	-
Noncurrent portion of long-term debt	1,019,397	2,688,747	3,708,144	239,778
Noncurrent portion of compensated absences	8,163	62,720	70,883	179,748
Total noncurrent liabilities	1,194,596	4,804,297	5,998,893	419,526
Total liabilities	1,683,539	6,162,345	7,845,884	522,590
Deferred Inflows of Resources				
Deferred amount relating to the net pension liability	73,294	136,237	209,531	-
Deferred amount relating to the total OPEB liability	2,641	31,256	33,897	-
Total deferred inflows of resources	75,935	167,493	243,428	-
Net Position				
Net investment in capital assets	15,345,630	10,000,833	25,346,463	796,445
Restricted for				
Bond reserve	-	520,557	520,557	-
Unrestricted (deficit)	3,535,156	(1,290,028)	2,245,128	232,405
Total net position	\$ 18,880,786	\$ 9,231,362	\$ 28,112,148	\$ 1,028,850

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Operating revenue				
Customer fees	\$ 2,430,581	\$ 2,937,475	\$ 5,368,056	\$ -
Billings to other funds	-	-	-	502,324
Connection fees	243,325	96,763	340,088	-
State grants	-	13,337	13,337	-
Other revenue	35,441	82,859	118,300	192,199
	<u>2,709,347</u>	<u>3,130,434</u>	<u>5,839,781</u>	<u>694,523</u>
Operating expenses				
Personnel services	865,997	1,571,938	2,437,935	53,860
Supplies	30,879	634,557	665,436	132,120
Professional services	1,352,732	13,573	1,366,305	-
Utilities	14,950	155,189	170,139	38,035
Repairs and maintenance	977	94,115	95,092	109,924
Other expenses	91,052	165,054	256,106	147,884
Depreciation and amortization	598,725	570,368	1,169,093	157,491
	<u>2,955,312</u>	<u>3,204,794</u>	<u>6,160,106</u>	<u>639,314</u>
Operating income (loss)	<u>(245,965)</u>	<u>(74,360)</u>	<u>(320,325)</u>	<u>55,209</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Nonoperating revenue (expenses)				
Capital contributions	\$ 291,971	\$ -	\$ 291,971	\$ -
Interest income	37	15,605	15,642	562
Gain on sale of assets	22,890	-	22,890	46,738
Interest expense	(28,500)	(78,734)	(107,234)	(3,525)
 Total nonoperating revenues (expenses)	 <u>286,398</u>	 <u>(63,129)</u>	 <u>223,269</u>	 <u>43,775</u>
 Income (loss) before transfers	 40,433	 (137,489)	 (97,056)	 98,984
 Transfers out	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(62,190)</u>
 Change in net position	 40,433	 (137,489)	 (97,056)	 36,794
 Net position - beginning of year	 <u>18,840,353</u>	 <u>9,368,851</u>	 <u>28,209,204</u>	 <u>992,056</u>
 Net position - end of year	 <u>\$ 18,880,786</u>	 <u>\$ 9,231,362</u>	 <u>\$ 28,112,148</u>	 <u>\$ 1,028,850</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 2,660,920	\$ 3,017,951	\$ 5,678,871	\$ -
Receipts from interfund users	-	-	-	615,245
Payments from (to) other funds	(312,910)	365,535	52,625	-
Payments to suppliers	(1,482,802)	(945,384)	(2,428,186)	(294,170)
Payments to employees	(945,874)	(1,634,476)	(2,580,350)	(183,869)
Net cash provided (used) by operating activities	(80,666)	803,626	722,960	137,206
Cash flows from noncapital financing activities				
Transfer from other funds	-	-	-	(62,190)
Cash flows from capital and related financing activities				
Proceeds from sale of bonds and notes	-	-	-	300,000
Capital grant	291,971	-	291,971	-
Purchases/construction of capital assets	-	(928,403)	(928,403)	(432,185)
Principal and interest paid on long-term debt	(113,500)	(788,734)	(902,234)	(23,365)
Proceeds from sale of capital assets	22,890	-	22,890	46,738
Net cash provided (used) by capital and related financing activities	201,361	(1,717,137)	(1,515,776)	(108,812)
Cash flows from investing activities				
Interest received	37	15,605	15,642	562
Net change in cash	120,732	(897,906)	(777,174)	(33,234)
Cash - beginning of year	2,602,514	1,418,463	4,020,977	787,573
Cash - end of year	<u>\$ 2,723,246</u>	<u>\$ 520,557</u>	<u>\$ 3,243,803</u>	<u>\$ 754,339</u>
Reconciliation to the statement of net position				
Cash	\$ 2,723,246	\$ -	\$ 2,723,246	\$ 754,339
Cash - restricted	-	520,557	520,557	-
Cash - end of year	<u>\$ 2,723,246</u>	<u>\$ 520,557</u>	<u>\$ 3,243,803</u>	<u>\$ 754,339</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (245,965)	\$ (74,360)	\$ (320,325)	\$ 55,209
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation/amortization expense	598,725	570,368	1,169,093	157,491
Changes in assets and liabilities				
Receivables	(48,427)	(112,483)	(160,910)	-
Due from other funds	(323,117)	16,927	(306,190)	-
Prepaid items	(6,445)	(13,357)	(19,802)	-
Deferred outflows of resources	(73,004)	(111,349)	(184,353)	-
Accounts payable	10,547	118,842	129,389	2,307
Accrued and other liabilities	3,686	11,619	15,305	1,477
Due to other funds	10,207	348,608	358,815	(17,088)
Deferred inflows of resources	63,753	79,707	143,460	-
Net pension liability	(77,474)	(104,628)	(182,102)	-
Total OPEB liability	5,157	61,878	67,035	-
Compensated absences	1,691	11,854	13,545	(62,190)
Net cash provided (used) by operating activities	<u>\$ (80,666)</u>	<u>\$ 803,626</u>	<u>\$ 722,960</u>	<u>\$ 137,206</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash	\$ <u>64,115</u>
Liabilities	
Due to other units of government	17,544
Due to union groups	<u>9,300</u>
Total liabilities	<u>26,844</u>
Net Position	
Restricted for fiduciary activities	<u><u>\$ 37,271</u></u>

City of Fenton
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
Additions	
Property tax collections for other governments	\$ 21,523,789
Miscellaneous	<u>7,003</u>
Total additions	21,530,792
Deductions	
Payments of property tax to other governments	<u>21,523,789</u>
Change in net position	7,003
Net position - beginning of year	<u>30,268</u>
Net position - end of year	<u>\$ 37,271</u>

City of Fenton
Component Units
Combining Statement of Net Position
June 30, 2021

	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
Assets				
Current assets				
Cash	\$ 1,944,733	\$ 1,626,249	\$ 174,001	\$ 3,744,983
Receivables				
Customers	24,000	-	-	24,000
Accrued interest and other	10,273	-	-	10,273
Prepaid items	2,872	2,161	-	5,033
Total current assets	<u>1,981,878</u>	<u>1,628,410</u>	<u>174,001</u>	<u>3,784,289</u>
Noncurrent assets				
Capital assets not being depreciated	425,000	-	-	425,000
Capital assets, net of accumulated depreciation	2,281	-	-	2,281
Total noncurrent assets	<u>427,281</u>	<u>-</u>	<u>-</u>	<u>427,281</u>
Total assets	<u>2,409,159</u>	<u>1,628,410</u>	<u>174,001</u>	<u>4,211,570</u>
Liabilities				
Current liabilities				
Accounts payable	31,911	4,441	-	36,352
Accrued and other liabilities	41,535	1,519	-	43,054
Due to other units of government	1,711	191	-	1,902
Debt due within one year	336,000	-	-	336,000
Total current liabilities	<u>411,157</u>	<u>6,151</u>	<u>-</u>	<u>417,308</u>
Noncurrent liabilities				
Debt due in more than one year	3,277,981	-	-	3,277,981
Total liabilities	<u>3,689,138</u>	<u>6,151</u>	<u>-</u>	<u>3,695,289</u>
Net Position				
Net investment in capital assets	427,281	-	-	427,281
Unrestricted (deficit)	(1,707,260)	1,622,259	174,001	89,000
Total net position	<u>\$ (1,279,979)</u>	<u>\$ 1,622,259</u>	<u>\$ 174,001</u>	<u>\$ 516,281</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Component Units
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority					
Community and economic development	\$ 1,111,123	\$ (1,111,123)	\$ -	\$ -	\$ (1,111,123)
Local Development Finance Authority					
Community and economic development	96,909	-	(96,909)	-	(96,909)
Brownfield					
Community and economic development	<u>158,607</u>	<u>-</u>	<u>-</u>	<u>(158,607)</u>	<u>(158,607)</u>
 Total component units	 <u>\$ 1,366,639</u>	 <u>(1,111,123)</u>	 <u>(96,909)</u>	 <u>(158,607)</u>	 <u>(1,366,639)</u>
 General revenues					
Property taxes - unrestricted		1,914,193	227,463	156,804	2,298,460
Unrestricted investment earnings		<u>2,309</u>	<u>820</u>	<u>-</u>	<u>3,129</u>
Total general revenues		<u>1,916,502</u>	<u>228,283</u>	<u>156,804</u>	<u>2,301,589</u>
Change in net position		805,379	131,374	(1,803)	934,950
Net position - beginning of year		<u>(2,085,358)</u>	<u>1,490,885</u>	<u>175,804</u>	<u>(418,669)</u>
Net position - end of year		<u>\$ (1,279,979)</u>	<u>\$ 1,622,259</u>	<u>\$ 174,001</u>	<u>\$ 516,281</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Notes to the Financial Statements
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The City of Fenton, Michigan (the City), has a population of approximately 12,000. The City is located in the southeast corner of Genesee County, bordering Livingston County to the south and Oakland County to the east.

The City of Fenton, Michigan, was incorporated on January 24, 1964, under the provisions of Act 279, P.A. 1909 as amended. The City operates a council-manager form of government and provides the following services as authorized by its charter: public safety (police, fire, and inspections), highways and streets, sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

Reporting entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the primary government. All component units are included in the City's audited financial statements and are not audited separately.

Blended Component Unit

The City of Fenton's Building Authority is governed by a board appointed by the City of Fenton's governing body. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City of Fenton's public buildings. The Building Authority had no activity in 2021.

Discretely Presented Component Units

The component unit column in the government-wide financial statements include the financial data of the City's three discretely presented component units. These units are reported in a separate column to emphasize that they are legally separate from the City. Separate financial statements are not issued.

Downtown Development Authority - A majority of the members of the governing board of the Downtown Development Authority are appointed by the City Council. The budgets and expenditures of the Downtown Development Authority must be approved by the City Council. The City also has the ability to significantly influence operations of the Downtown Development Authority.

Local Development Finance Authority - A majority of the members of the governing board of the Local Development Finance Authority are appointed by the City Council. The budgets and expenditures are approved by the City. The City also has the ability to significantly influence operations of the Local Development Finance Authority.

Brownfield Redevelopment Authority - A majority of the members of the governing board of the Brownfield Redevelopment Authority are appointed by the City Council. The budgets and expenditures are approved by the City. The City also has the ability to significantly influence operations of the Brownfield Redevelopment Authority.

City of Fenton
Notes to the Financial Statements
June 30, 2021

Basis of Presentation

Government-wide and fund financial statements

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements, but interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

Fund Financial Statements

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major

individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Street Fund is used to account for proceeds from gas and weight taxes levied by the State and distributed to local governmental units. State law requires that these taxes be used for street maintenance and construction.

The City reports the following major proprietary funds:

The Sewer Fund is used to account for the operations required to providing sewer services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

The Water Fund is used to account for the operations required to providing water services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

Additionally, the City reports internal service funds to account for equipment acquisition, usage, and maintenance and also financing of employee sick pay provided to other departments on a cost reimbursement basis.

The City also reports custodial funds to account for collection and payment to the County, school districts, and other funds for property taxes collected on their behalf and amounts withheld from employees' payroll related to union dues and other payments.

City of Fenton
Notes to the Financial Statements
June 30, 2021

Measurement Focus

The government-wide, proprietary fund and custodial funds financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

Government-wide, proprietary, and agency fund financial statements are presented using the accrual basis of accounting. Their revenues (as applicable) are recognized when they are earned, and their expenses (as applicable) are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

Budgets shown in the financial statements were prepared on the same modified accrual basis used to reflect actual results. The City employs the following procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to the third Monday in April, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General and Special Revenue Funds. Informational summaries of projected revenues and expenditures are provided for all other City funds, as well as estimated total costs and proposed methods of financing all capital construction projects.
- b. Public hearings are conducted to obtain taxpayer comments.

City of Fenton
Notes to the Financial Statements
June 30, 2021

c. On or before the third Monday in May, by resolution, the budget is legally enacted on a departmental (activity) basis for the General Fund and on a total expenditure level for the Special Revenue Funds for the ensuing fiscal year in accordance with 1978 Public Act 621 of the State of Michigan.

d. The City Manager, or his designee, is authorized to transfer budgeted amounts within activity appropriation accounts. However, any revisions that alter the total expenditures of any department must be approved by the City Council.

e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.

f. Budget appropriations lapse at year end.

g. The original budget was amended and supplemental appropriations approved during the year, in accordance with the City charter and applicable State laws. The budget to actual expenditures in the financial statements represents the final budgeted expenditures as amended by the City.

h. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. There were no encumbrances at year end.

Cash

Cash consists of checking and savings accounts and cash on hand.

Restricted cash in the business-type activities consist of certain amounts held in the City's Water Fund which are maintained in separate bank accounts and their use is limited by applicable bond

covenants. The "bond redemption" account is used to report resources set aside to make up potential future deficiencies.

Receivables

Receivables consist of amounts due from governmental units for various financial assistance programs, and accounts receivable related to charges for services, property taxes, and special assessments.

Property Tax

The City of Fenton bills and collects its own property taxes and taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph.

Property taxes are levied by the City of Fenton on July 1 and December 1 and are payable without penalty through September 15 and February 28, respectively. The July 1 levy is composed of the County's levy, the State Education Tax assessment, school tax and the City's millage and assessments. The December 1 levy was composed of school taxes and special county millages as well as any unpaid July 1 City levies. All real property taxes not paid to the City by March 1 are turned over to the Genesee County Treasurer for collection. Amounts assessed on any interest in real or personal property become a lien on July 1. The Genesee County Treasurer remits pay-off payments to all taxing districts on any delinquent real property taxes. Delinquent personal property taxes are retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Tax Collection Agency Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 13.0 mills (\$13 per \$1,000 of assessed valuation) for general governmental services. For the year ended June 30, 2021, the City levied 10.0003 mills per \$1,000 of taxable valuation for general governmental services. The total taxable value for the 2020 levy for property within the City was approximately \$466,371,000.

City of Fenton
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Inventories

Inventories are valued at cost for governmental funds and the lower of cost or market in the proprietary funds, using the first-in/first-out (FIFO) method. Inventories in the governmental funds and the proprietary funds consist of sign inventories and other expendable supplies held for consumption and water supplies, respectively. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed.

Prepaid Items

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute “available spendable resources” even though they are a component of fund balance. The consumption method is used to account for prepaid expenditures.

Capital Assets

Capital assets, which include land, construction in progress, buildings, building and land improvements, machinery, vehicles, and equipment, infrastructure assets (e.g., roads, lights, and bridges), and sewer and water lines and are reported in the applicable governmental or business-type activities and component units columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method over the following useful lives:

Buildings	20 to 40 years
Building improvements	5 to 20 years
Machinery, vehicles, and equipment	3 to 10 years
Roads, lights, and bridges	10 to 20 years
Sewer and water lines	40 to 100 years

Compensated Absences

Accumulated unpaid sick pay – Substantially all City employees are paid for unused sick days upon termination of employment. Accumulated vested unpaid sick pay at June 30, 2021, is recorded in the financial statements of the City as follows: Governmental fund types - As a current year expenditure. The City records an operating transfer from the General Fund to the Sick Pay Internal Service Fund for any unpaid sick pay owing to employees at year end. The entire liability is funded in the year in which it has been incurred.

Proprietary fund type – Accrued as a liability and expensed as incurred.

Accumulated unpaid vacation pay – All employees may carry over from year to year a maximum of one-half of the unused vacation days earned in the current year. Upon involuntary termination of employment, no payment will be made to an employee for any unused accumulated vacation days. However, upon voluntary termination with notice, an employee may receive payment for any unused accumulated vacation days. At June 30, 2021, the unused vacation days are recorded in the government-wide financial statements of the City.

Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

City of Fenton
Notes to the Financial Statements
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Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Unearned Revenue

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. Government-wide financial statements also report unearned revenue for amounts received but not yet earned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the deferred outflows of resources related to the City's net pension liability and the total OPEB liability and are related to changes in actuarial assumptions and experience differences, and contributions made subsequent to the measurement date. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The deferred outflows of resources also relate to deferred amounts on bond refundings. These amounts are deferred and recognized as an outflow of resources in the period to which they apply.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. In the current year, the deferred

inflows of resources are related to differences in assumption and experience and between projected and actual pension plan investment earnings, differences in assumptions related to the total OPEB liability, as well as unavailable revenue in connection with receivables for revenue that is not considered available to liquidate liabilities of the current period. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension liability and the total OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The (Equipment) Internal Service Fund records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

Restricted Net Position

The funding source or some other outside source which precludes their use for unrestricted purposes.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

City of Fenton
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Adoption of New Accounting Standards

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Statement No. 98, *The Annual Comprehensive Financial Report* establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

Upcoming Accounting and Reporting Changes

In addition, the Governmental Accounting Standards Board has released the following Statements.

Statement No. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based

on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending June 30, 2023.

The City is evaluating the impact that the above GASB Statement will have on its financial reporting.

Note 2 - Cash

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association,

City of Fenton
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savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Deposits

As of June 30, 2021, the carrying amounts for each type of bank account are as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits	\$ 11,668,937	\$ 64,115	\$ 3,744,983	\$ 15,478,035
Certificates of deposit	748,936	-	-	748,936
Petty cash	170	-	-	170
	<u>\$ 12,418,043</u>	<u>\$ 64,115</u>	<u>\$ 3,744,983</u>	<u>\$ 16,227,141</u>

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating

organizations (NRSRO's). The City has not adopted a policy that indicates how the City will minimize credit risk if, or when, the City has investments that are subject to this type of risk. As of June 30, 2021, the City did not have any investments that would be subject to rating.

Interest Rate Risk

The City has not adopted a policy that indicates how it will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time if/when the City has investments that are subject to this type of risk.

Concentration of Credit Risk

The City has not adopted a policy that indicates how it will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of an investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized if/when the City has investments that are subject to this type of risk.

The City has not adopted a policy that indicates how the City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer. The City's cash and investments are exposed to the custodial credit risk. Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 2021, the City accounts were insured by the FDIC for \$1,000,000 and the amount of \$15,429,287 was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

City of Fenton
Notes to the Financial Statements
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The following summarizes the categorization of these amounts as of June 30, 2021:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 9,174,240	\$ -	\$ 9,174,240
Business-type activities	<u>2,723,246</u>	<u>520,557</u>	<u>3,243,803</u>
Total	11,897,486	520,557	12,418,043
Fiduciary funds	64,115	-	64,115
Component units	<u>3,744,983</u>	<u>-</u>	<u>3,744,983</u>
Total	<u>\$ 15,706,584</u>	<u>\$ 520,557</u>	<u>\$ 16,227,141</u>

Note 3 - Interfund Receivables, Payable, and Transfers

The amount of interfund receivables and payables at June 30, 2021, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Fund	\$ 74,053
General Fund	Nonmajor Funds	38,069
General Fund	Sewer Fund	10,207
General Fund	Water Fund	25,541
Sewer Fund	Nonmajor Funds	108,373
Sewer Fund	Water Fund	323,117
Water Fund	General Fund	161
Nonmajor Funds	Nonmajor Funds	200
Internal Service Funds	Nonmajor Funds	656
		<u>\$ 580,377</u>

Amounts appearing as interfund payables and receivables arise from two (2) types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, interfund transfers have been eliminated.

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 426,000
General Fund	Internal Service Funds	(62,190)
Nonmajor Funds	Nonmajor Funds	1,020
Nonmajor Funds	Major Street Fund	250,000
Major Street Fund	Nonmajor Funds	<u>50,000</u>
		<u>\$ 664,830</u>

The transfers from the General Fund to the nonmajor governmental funds were to fund current year operations. The nonmajor governmental funds transfer to nonmajor governmental funds was for a transfer of funds to perpetual care from the cemetery. Transfers between the component units were for operations and to fund capital projects. Transfers between the nonmajor governmental funds and the Major Street Fund were to fund capital projects. Transfers between the Major Street Fund and the nonmajor governmental funds were for operations.

City of Fenton
Notes to the Financial Statements
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Note 4 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 1,605,104	\$ -	\$ -	\$ -	\$ 1,605,104
Construction-in-progress	<u>437,315</u>	<u>520,687</u>	<u>372,470</u>	<u>-</u>	<u>585,532</u>
Total capital assets not being depreciated	<u>2,042,419</u>	<u>520,687</u>	<u>372,470</u>	<u>-</u>	<u>2,190,636</u>
Capital assets being depreciated					
Land improvements	987,003	488,706	-	(326,325)	1,149,384
Infrastructure	16,847,275	-	-	326,325	17,173,600
Buildings, additions and improvements	8,409,094	-	-	-	8,409,094
Machinery and equipment	<u>6,097,038</u>	<u>1,106,739</u>	<u>166,869</u>	<u>-</u>	<u>7,036,908</u>
Total capital assets being depreciated	<u>32,340,410</u>	<u>1,595,445</u>	<u>166,869</u>	<u>-</u>	<u>33,768,986</u>
Less accumulated depreciation for					
Land improvements	592,471	21,209	-	(16,316)	597,364
Infrastructure	5,827,495	828,418	-	16,316	6,672,229
Buildings, additions and improvements	3,515,810	197,718	-	-	3,713,528
Machinery and equipment	<u>4,467,955</u>	<u>352,576</u>	<u>166,869</u>	<u>-</u>	<u>4,653,662</u>
Total accumulated depreciation	<u>14,403,731</u>	<u>1,399,921</u>	<u>166,869</u>	<u>-</u>	<u>15,636,783</u>
Net capital assets being depreciated	<u>17,936,679</u>	<u>195,524</u>	<u>-</u>	<u>-</u>	<u>18,132,203</u>
Governmental activities capital assets, net	<u>\$ 19,979,098</u>	<u>\$ 716,211</u>	<u>\$ 372,470</u>	<u>\$ -</u>	<u>\$ 20,322,839</u>

City of Fenton
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 190,930	\$ -	\$ -	\$ 190,930
Capital assets being depreciated				
Buildings, additions and improvements	8,895,451	-	-	8,895,451
Machinery and equipment	1,123,059	223,963	-	1,347,022
Water system	13,567,212	704,440	-	14,271,652
Sewer system	29,512,422	-	-	29,512,422
Total capital assets being depreciated	53,098,144	928,403	-	54,026,547
Less accumulated depreciation for				
Buildings, additions and improvements	3,132,409	223,273	-	3,355,682
Machinery and equipment	666,604	54,656	-	721,260
Water system	6,362,601	325,887	-	6,688,488
Sewer system	13,055,312	566,317	-	13,621,629
Total accumulated depreciation	23,216,926	1,170,133	-	24,387,059
Net capital assets being depreciated	29,881,218	(241,730)	-	29,639,488
Business-type capital assets, net	\$ 30,072,148	\$ (241,730)	\$ -	\$ 29,830,418

City of Fenton
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Depreciation expense was charged to the following:

Governmental activities

General government	\$ 176,617
Public safety	246,601
Public works	812,102
Recreation and culture	7,110
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>157,491</u>
Total governmental activities	<u>1,399,921</u>

Business-type activities

Sewer	598,725
Water	<u>571,408</u>
Total business-type activities	<u>1,170,133</u>
Total primary government	<u><u>\$ 2,570,054</u></u>

City of Fenton
Notes to the Financial Statements
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Capital assets activity of the component units for the current year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Downtown Development Authority				
Capital assets not being depreciated				
Land	\$ 425,000	\$ -	\$ -	\$ 425,000
Capital assets being depreciated				
Machinery and equipment	34,140	-	-	34,140
Less accumulated depreciation for Machinery and equipment	29,122	2,737	-	31,859
Net capital assets being depreciated	5,018	(2,737)	-	2,281
Downtown Development Authority capital assets, net	<u>\$ 430,018</u>	<u>\$ (2,737)</u>	<u>\$ -</u>	<u>\$ 427,281</u>
Local Development Financing Authority				
Capital assets being depreciated				
Buildings, additions and improvements	\$ 37,630	\$ -	\$ -	\$ 37,630
Less accumulated depreciation for Buildings, additions and improvements	31,358	6,272	-	37,630
Local Development Financing Authority capital assets, net	<u>\$ 6,272</u>	<u>\$ (6,272)</u>	<u>\$ -</u>	<u>\$ -</u>

City of Fenton
Notes to the Financial Statements
June 30, 2021

Note 5 - Long-Term Debt

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2021:

Primary Government	<u>Amount of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities									
Bonds and notes payable									
General obligation bond									
2015 LTGO Special Assessment Bonds	\$ 555,000	4/1/2026	2.30% - 3.55%	\$55,000	\$ 335,000	\$ -	\$ 60,000	\$ 275,000	\$ 55,000
Notes from direct borrowing									
Installment purchase agreements									
Fire and Police Equipment	261,612	8/31/2024	2.810%	\$20,428 - \$40,018	174,013	-	36,804	137,209	37,846
Fire Truck	306,909	7/1/2027	2.350%	\$23,625 - \$46,431	-	306,909	20,297	286,612	41,311
Compensated absences					337,605	146,113	193,297	290,421	58,084
Internal service fund obligations									
Notes from direct borrowing									
Installment purchase agreements									
Dump Trucks	300,000	9/1/2027	2.350%	\$23,094 - \$45,385	-	300,000	19,840	280,160	40,382
Compensated absences					286,875	130,009	192,199	224,685	44,937
Total governmental activities					<u>1,133,493</u>	<u>883,031</u>	<u>522,437</u>	<u>1,494,087</u>	<u>277,560</u>
Business-type activities									
Bonds and notes payable									
Revenue bonds									
2002 Michigan Municipal Bond Authority	9,600,000	4/1/2023	2.500%	\$585,000 - \$600,000	1,755,000	-	570,000	1,185,000	585,000
2009 Michigan Municipal Bond Authority	1,419,839	4/1/2030	2.500%	\$55,000 - \$72,031	612,031	-	55,000	557,031	55,000
2014 Michigan Finance Authority	935,000	10/1/2035	2.500%	\$30,000 - \$42,366	577,366	-	30,000	547,366	30,000
Capital improvement bonds									
2020 Capital Improvement Refunding Bonds	2,320,000	4/1/2035	2.000%	\$135,000 - \$175,000	2,320,000	-	140,000	2,180,000	135,000
Less deferred amounts									
For issuance premiums									
Total					50,477	-	3,365	47,112	3,365
Compensated absences					75,059	56,936	43,391	88,604	17,721
Total business-type activities					<u>5,389,933</u>	<u>56,936</u>	<u>841,756</u>	<u>4,605,113</u>	<u>826,086</u>
Total primary government					<u>\$ 6,523,426</u>	<u>\$ 939,967</u>	<u>\$ 1,364,193</u>	<u>\$ 6,099,200</u>	<u>\$ 1,103,646</u>

City of Fenton
Notes to the Financial Statements
June 30, 2021

Component unit	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	
Downtown Development Authority										
General obligation bonds										
2011 GOLT Development Refunding Bonds	\$ 3,985,000	4/1/2021	0.00%	\$0	\$ 460,000	\$ -	\$ 460,000	\$ -	\$ -	
2014 GOLT Development Bonds	3,650,000	10/1/2031	3.000% - 4.000%	\$240,000 - \$330,000	2,965,000	-	150,000	2,815,000	240,000	
2016 GOLT Development Bonds	1,000,000	10/1/2031	2.000% - 2.600%	\$70,000 - \$80,000	785,000	-	55,000	730,000	70,000	
Direct borrowing										
Installment purchase agreement										
2012 DDA Dispatch Loan	260,000	4/1/2022	2.700%	\$26,000	52,000	-	26,000	26,000	26,000	
Capitalized bond premium					47,243	-	4,262	42,981	-	
Total component unit					<u>\$ 4,309,243</u>	<u>\$ -</u>	<u>\$ 695,262</u>	<u>\$ 3,613,981</u>	<u>\$ 336,000</u>	
					<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>		
Deferred amount on refunding - business-type activities					\$ 34,879	\$ -	\$ 2,325	\$ 32,554		

City of Fenton
Notes to the Financial Statements
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Compensated Absences

In accordance with the City's personnel policies, individual employees have vested rights upon termination of employment to receive payment for unused sick pay and vacation under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$515,106 for governmental activities and \$88,604 for business-type activities at June 30, 2021. The governmental activities liability has historically been paid out of the General Fund.

Water and Sewer Obligations

The City of Fenton was a participant in the county-wide sanitary sewer construction program under Act 342 Michigan Compiled Laws. This program was financed by general obligation bonds issued by Genesee County. The City of Fenton has contracts with Genesee County Water and Waste Services for the cost of the construction of the sewer system within its boundaries. The City of Fenton has pledged the full faith and credit of the City to the prompt payment of the City's share of the principal and interest payments on these contracts as they become due. From information received from Genesee County, the assets relating to those contracts have been recorded in the Sewer Fund of the City to reflect the actual construction cost of the above mentioned systems. The contract principal portion owed by the City of Fenton has been recorded in the Sewer Fund. The Water Revolving Fund Bonds are supported by the revenues of the Water System.

Future Revenues Pledged for Debt Payments

The City has pledged substantially all revenue of the water fund, net of operating expenses, to repay the above water revenue bonds. Proceeds from the bonds provided financing for the construction of the Water Treatment Plant. The bonds are payable solely from the net revenues of the water system. The remaining principal and interest to be paid on the bonds is \$1,229,626. During the current year, net revenues of the system were \$786,591 compared to the annual debt requirements of \$614,626.

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending June 30,	Governmental Activities		Governmental Activities		Business-type Activities	
	Bonds		Notes from Direct Borrowing		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 55,000	\$ 11,980	\$ 119,539	\$ 12,843	\$ 805,000	\$ 100,461
2023	55,000	9,507	122,541	10,910	830,000	81,010
2024	55,000	6,865	125,618	8,935	235,000	60,897
2025	55,000	4,058	108,053	6,912	240,000	55,722
2026	55,000	1,952	89,696	4,840	245,000	50,447
2027-2031	-	-	138,534	3,269	1,227,031	170,049
2032-2036	-	-	-	-	887,366	47,366
	<u>\$ 275,000</u>	<u>\$ 34,362</u>	<u>\$ 703,981</u>	<u>\$ 47,709</u>	<u>\$ 4,469,397</u>	<u>\$ 565,952</u>

Year Ending June 30,	Component Unit		Component Unit	
	Bonds		Notes from Direct Borrowing	
	Principal	Interest	Principal	Interest
2022	\$ 310,000	\$ 107,988	\$ 26,000	\$ 702
2023	320,000	99,408	-	-
2024	325,000	90,488	-	-
2025	335,000	81,438	-	-
2026	345,000	71,912	-	-
2027-2031	1,910,000	200,134	-	-
	<u>\$ 3,545,000</u>	<u>\$ 651,368</u>	<u>\$ 26,000</u>	<u>\$ 702</u>

Note 6 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for property loss, torts, errors and omissions, and medical benefit claims and participates in the Michigan Municipal League (MML) risk pool for claims relating to worker's compensation; the City is uninsured for acts of God and environmental cleanup loss. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

City of Fenton
Notes to the Financial Statements
June 30, 2021

The MML risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 7 - Defined Benefit Pension Plan

Plan description

The government participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in

MERS. The MERS plan covers full-time employees at the City including general employees, police union, and Department of Public Services employees.

Retirement benefits for employees are calculated as 2.0 percent of the employee's five-year final average compensation times the employee's years of service with a maximum of 80 percent of final average compensation. Normal retirement age is 60 with a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service.

Deferred retirement benefits vest after 6 years of credited service, but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 6-10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police employee benefit terms may be subject to binding arbitration in certain circumstances.

At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	47
Inactive employees entitled to, but not	
yet receiving benefits	16
Active employees	<u>50</u>
	<u>113</u>

City of Fenton
Notes to the Financial Statements
June 30, 2021

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 8.54% to 25.80% based on annual payroll for open divisions.

Net pension liability

The employer's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.5%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 7.35%, net of investment expense, including inflation. Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

Mortality rates used were based on the RP-2014 Mortality Tables of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results

of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.00%	8.65%	5.19%	2.50%	3.70%
Global fixed income	20.00%	3.76%	0.75%	2.50%	0.30%
Private Investments	20.00%	9.06%	1.81%	2.50%	1.25%
	<u>100.00%</u>		<u>7.75%</u>		<u>5.25%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Fenton
Notes to the Financial Statements
June 30, 2021

Changes in Net Pension Liability

Total Pension Liability

Service cost	\$ 284,714
Interest on the total pension liability	1,426,658
Experience differences	139,086
Changes in actuarial assumptions	666,600
Benefit payments and refunds	<u>(1,065,711)</u>
Net change in total pension liability	1,451,347
Total pension liability - beginning	<u>19,162,325</u>
Total pension liability - ending (a)	<u>\$ 20,613,672</u>

Plan Fiduciary Net Position

Pension plan net investment income (loss)	\$ 1,681,597
Employer contributions	1,329,068
Employee contributions	29,217
Benefit payments and refunds	(1,065,711)
Pension plan administrative expense	<u>(25,814)</u>
Net change in plan fiduciary net position	1,948,357
Plan fiduciary net position - beginning	<u>12,617,223</u>
Plan fiduciary net position - ending (b)	<u>\$ 14,565,580</u>
Net pension liability (a-b)	<u>\$ 6,048,092</u>

Plan fiduciary net position as a percentage of total pension liability	70.66%
Covered employee payroll	<u>\$ 3,425,872</u>
Net pension liability as a percentage of covered employee payroll	176.54%

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.60%) or 1% higher (8.60%) than the current rate.

	1% decrease	Current Discount Rate	1% increase
Net pension liability	<u>\$ 8,659,633</u>	<u>\$ 6,048,092</u>	<u>\$ 3,879,565</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2021 the employer recognized pension expense of \$855,091. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 273,048	\$ (90,700)	\$ 182,348
Differences in assumptions	918,384	-	918,384
Net difference between projected and actual earning on plan investments	-	(503,545)	(503,545)
Contributions subsequent to the measurement date*	<u>681,140</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,872,572</u>	<u>\$ (594,245)</u>	<u>\$ 597,187</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2022.

City of Fenton
Notes to the Financial Statements
June 30, 2021

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended,	
2022	\$ 167,598
2023	363,749
2024	47,213
2025	<u>18,627</u>
	<u>\$ 597,187</u>

The net pension liability is generally liquidated by the General Fund, Emergency 911 Fund, Sewer Fund, and Water Fund.

Note 8 - Other Postemployment Benefits

Plan description – The City provides postemployment health care benefits (a single employer defined benefit plan) in accordance with a Council resolution to covered employees who retire on or after age 55 with at least 10 years of service and Police Local 214 employees who retire on or after age 50 with at least 10 years of service. The City pays 100% of the health insurance premiums for these retirees.

Employees covered by benefit terms – At December 31, 2020 (most recent actuarial valuation date), the plan membership consisted of the following:

Inactive employees or beneficiaries	
currently receiving benefits	35
Active employees	<u>43</u>
	<u>78</u>

Contributions – City Council has the authority to establish and amend the benefit terms and contribution requirements of the City and plan members or to abolish the plan at any time. Recognition of the total OPEB liability by the City should not be interpreted that a vested benefit is owed to any plan participant. Benefits are authorized during the

annual budgetary process, funding for which may or may not continue into the future. The City is on the pay-as-you-go method and contributed \$339,583 for the year ended June 30, 2021. Plan members are not required to contribute to the plan.

Total OPEB liability – The total OPEB liability was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020 and rolled forward to June 30, 2021.

Actuarial assumptions – The following actuarial assumptions were used, applied to all periods included in the measurement.

Actuarial cost method	Entry-Age Normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	18 years, closed
Asset valuation method	There are no assets.
Price inflation	2.50%
Wage inflation	3.00%
Salary increases	3.00 to 9.70%
Investment rate of return	3.50%, net of OPEB plan investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	A version of the RP-2014 mortality table
Healthcare inflation rate	Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.50% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

Mortality rates were based on a version of the RP-2014 mortality table, as appropriate.

The actuarial assumptions used in the June 30, 2021 measurement were based on valuation assumptions used in the December 31, 2020 actuarial valuation.

Discount rate – The discount rate used to measure the total OPEB liability was 1.92% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

City of Fenton
Notes to the Financial Statements
June 30, 2021

Changes in Total OPEB Liability

Total OPEB Liability

Service cost	\$ 241,668
Interest on the total OPEB liability	186,790
Experience differences	(10,039)
Changes in actuarial assumptions	494,400
Other changes	(57,586)
Benefit payments and refunds	<u>(339,583)</u>
Net change in total OPEB liability	515,650
Total OPEB liability - beginning	<u>7,673,059</u>
Total OPEB liability - ending	<u>\$ 8,188,709</u>
Plan fiduciary net position as a percentage of total OPEB liability	- %
Covered payroll	<u>\$ 4,227,231</u>
Total OPEB liability as a percentage of covered payroll	193.71%

Regarding the sensitivity of the total OPEB liability to changes in the single discount rate, the following presents the total OPEB liability of the City, calculated using a single discount rate of 1.92%, as well as what the City's total OPEB liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	Current Single Discount	
1% Decrease	Rate Assumption	1% Increase
0.92%	1.92%	2.92%
<u>\$ 9,254,411</u>	<u>\$ 8,188,709</u>	<u>\$ 7,302,695</u>

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the net OPEB liability of the City, calculated using the assumed trend rates as well as what the City's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Care Cost	
1% Decrease	Trend Rate Assumption	1% Increase
<u>\$ 7,520,624</u>	<u>\$ 8,188,709</u>	<u>\$ 8,988,780</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2021 the employer recognized OPEB expense of \$675,408. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 20,528	\$ (251,863)	\$ (231,335)
Differences in assumptions	<u>1,458,257</u>	<u>(12,348)</u>	<u>1,445,909</u>
Total	<u>\$ 1,478,785</u>	<u>\$ (264,211)</u>	<u>\$ 1,214,574</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended,	
2022	\$ 304,536
2023	305,167
2024	297,520
2025	239,050
2026	<u>68,301</u>
	<u>\$ 1,214,574</u>

City of Fenton
Notes to the Financial Statements
June 30, 2021

The total OPEB liability is generally liquidated by the General Fund, Sewer Fund, and Water Fund.

Note 9 - Building and Zoning Financial Information

The State Construction Code Act, Michigan Public Act 245 of 1999, and rules promulgated by the Department of Treasury regarding that Act, require that a local unit's fees collected from construction code permits be accounted for in a method which shows that all of these fees were used for expenditures related to the operation of the enforcing agency. The rules indicated that if the revenues exceeded the expenditures, the fees collected must be kept in a separate fund with all the revenues and expenditures accounted for in that fund. These rules allowed for monitoring these funds in a separate activity center within the General Fund if the expenditures would normally exceed revenues. The City chose the latter because historically the expenditures have exceeded revenues. The activity related to construction code activity for the year ended June 30, 2021 is as follows:

Revenues	
Building permits	\$ 156,171
Zoning permits	17,459
Total Revenues	173,630
Expenditures	
Salaries and fringes	243,188
Supplies and other	17,100
Professional services	121,081
Total expenditures	381,369
Excess of revenues (under) expenditures	(207,739)
Prior cumulative excess of revenues (under) expenditures	(2,466,148)
Cumulative excess of revenues (under) expenditures	\$ (2,673,887)

Note 10 - Contingent Liabilities

At times, the City may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 11 - Details of Fund Balance Classifications

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The following are the five (5) classifications of fund balance under this standard:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulation or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

City of Fenton
Notes to the Financial Statements
June 30, 2021

Unassigned - all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, the City of Fenton highest level of decision-making authority is the City Council. Formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through a resolution of the City Council.

For assigned fund balance, the City Council has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained by the City Council.

The City of Fenton has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first.

	General Fund	Major Street Fund	Nonmajor Governmental Funds
Fund Balances			
Non-spendable			
Inventories	\$ 37,742	\$ -	\$ -
Prepaid items	59,091	-	3,938
Restricted for			
Streets and highways	-	424,035	132,938
Public communications	-	-	9,658
Debt service	-	-	131,061
Committed for			
Parks and recreation	-	-	88,322
Cemetery	-	-	294,335
Garbage collection	-	-	138,052
Narcotics enforcement	-	-	3,188
D.A.R.E.	-	-	23,638
Emergency 911	-	-	10,604
Fire equipment	-	-	237,973
Fire truck equipment	-	-	152,534
Fire ladder truck	-	-	458,883
Improvements and technology	-	-	7,689
Capital projects	-	-	572,185
Unassigned	4,834,232	-	-
Total fund balances	<u>\$ 4,931,065</u>	<u>\$ 424,035</u>	<u>\$ 2,264,998</u>

City of Fenton
Notes to the Financial Statements
June 30, 2021

Note 12 - COVID-19 Pandemic

As result of the global coronavirus pandemic of 2020, many organizations' financial picture has seen an unanticipated change. The duration and full effects of the outbreak are currently unknown, as the global picture continues to change daily. While management is hopeful that the impact is temporary in nature, a description of known and anticipated circumstances expected to have a significant impact on the City as of the date of management's review is as follows:

Revenues and Liquidity – The City does not foresee significant liquidity issues at this time, however, the effect the pandemic may have on revenues is unknown. It is uncertain if taxable values will be impacted. In addition, future state shared revenues are expected to be lower as a result of fewer sales tax collections.

Accounts Receivable – The City is prepared to see future delays in collection of accounts receivable; however, the extent of any future delays in payment remains uncertain. As of the date of the report, the City has not experienced significant issues.

Additional Expenditures – The City expects to experience increased expenditures during 2021 as a result of covering shifts of symptomatic employees who are unable to report for work, purchasing personal protective equipment and implementing additional safety measures during the pandemic.

**City of Fenton
General Fund
Fund Description**

The General Fund is used to account for all financial transactions not properly accounted for in another fund. The transactions relating to the general governmental activities of the City, which are financed by property tax levies, by distribution of State and Federal revenues, and by revenue from various activities and services, are recorded in this fund. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenue received by the General Fund.

City of Fenton
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 4,147,808	\$ 4,158,728	\$ 4,274,590	\$ 115,862
Licenses and permits	456,300	440,300	506,212	65,912
Federal grants	-	289,719	300,762	11,043
Intergovernmental	1,009,500	1,138,911	1,241,676	102,765
Charges for services	348,500	354,500	415,284	60,784
Fines and forfeitures	60,000	60,000	61,200	1,200
Interest income	30,000	12,000	6,028	(5,972)
Other revenue	185,150	161,100	193,551	32,451
Total revenues	<u>6,237,258</u>	<u>6,615,258</u>	<u>6,999,303</u>	<u>384,045</u>
Expenditures				
Legislative and executive	190,750	185,800	173,478	(12,322)
General services	1,396,947	1,763,143	1,795,833	32,690
Police	2,681,943	2,739,368	2,839,344	99,976
Fire	755,733	759,650	746,828	(12,822)
Protective inspections	481,400	430,850	427,019	(3,831)
Public service	292,500	198,205	198,875	670
Community service	150,600	229,450	154,641	(74,809)
Total expenditures	<u>5,949,873</u>	<u>6,306,466</u>	<u>6,336,018</u>	<u>29,552</u>
Excess (deficiency) of revenues over (under) expenditures	287,385	308,792	663,285	354,493
Other financing sources (uses)				
Transfers in	215,382	-	-	-
Transfers out	(502,767)	(451,000)	(363,810)	87,190
Total other financing sources and uses	<u>(287,385)</u>	<u>(451,000)</u>	<u>(363,810)</u>	<u>87,190</u>
Net change in fund balance	-	(142,208)	299,475	441,683
Fund balance - beginning of year	<u>4,631,590</u>	<u>4,631,590</u>	<u>4,631,590</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,631,590</u>	<u>\$ 4,489,382</u>	<u>\$ 4,931,065</u>	<u>\$ 441,683</u>

**City of Fenton
Major Street Fund
Fund Description**

The Major Street Fund is used to account for proceeds from gas and weight taxes levied by the State and distributed to local governmental units. State law requires that these taxes be used for street maintenance and construction.

City of Fenton
Required Supplementary Information
Budgetary Comparison Schedule
Major Street Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,047,020	\$ 1,075,837	\$ 1,126,991	\$ 51,154
Interest income	-	200	660	460
Total revenues	<u>1,047,020</u>	<u>1,076,037</u>	<u>1,127,651</u>	<u>51,614</u>
Expenditures				
Current				
Public works	<u>1,288,355</u>	<u>1,429,750</u>	<u>1,138,767</u>	<u>(290,983)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(241,335)</u>	<u>(353,713)</u>	<u>(11,116)</u>	<u>342,597</u>
Other financing (uses)				
Transfers in	200,000	250,000	250,000	-
Transfers out	<u>(130,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>70,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(171,335)	(153,713)	188,884	342,597
Fund balance - beginning of year	<u>235,151</u>	<u>235,151</u>	<u>235,151</u>	<u>-</u>
Fund balance - end of year	<u>\$ 63,816</u>	<u>\$ 81,438</u>	<u>\$ 424,035</u>	<u>\$ 342,597</u>

City of Fenton
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2021

Measurement date December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 284,714	\$ 272,243	\$ 265,288	\$ 272,740	\$ 272,063	\$ 253,276	\$ 251,037
Interest on the total pension liability	1,426,658	1,392,121	1,327,974	1,314,169	1,260,231	1,143,433	747,006
Experience differences	139,086	122,634	220,496	(453,504)	63,341	-	-
Changes in actuarial assumptions	666,600	641,840	-	-	-	-	-
Other changes	-	(9,119)	-	-	-	939,704	386,453
Benefit payments and refunds	<u>(1,065,711)</u>	<u>(1,045,582)</u>	<u>(985,194)</u>	<u>(929,103)</u>	<u>(914,331)</u>	<u>(857,340)</u>	<u>(805,830)</u>
Net change in total pension liability	1,451,347	1,374,137	828,564	204,302	681,304	1,479,073	578,666
Total pension liability - beginning	<u>19,162,325</u>	<u>17,788,188</u>	<u>16,959,624</u>	<u>16,755,322</u>	<u>16,074,018</u>	<u>14,594,945</u>	<u>14,016,279</u>
Total pension liability - ending (a)	<u>\$ 20,613,672</u>	<u>\$ 19,162,325</u>	<u>\$ 17,788,188</u>	<u>\$ 16,959,624</u>	<u>\$ 16,755,322</u>	<u>\$ 16,074,018</u>	<u>\$ 14,594,945</u>
Plan Fiduciary Net Position							
Pension plan net investment income (loss)	\$ 1,681,597	\$ 1,504,441	\$ (453,265)	\$ 1,330,013	\$ 1,057,397	\$ (146,630)	\$ 603,787
Employer contributions	1,329,068	1,194,047	1,082,740	814,116	550,985	510,110	471,992
Employee contributions	29,217	30,505	27,653	27,255	23,809	22,633	22,830
Benefit payments and refunds	(1,065,711)	(1,045,582)	(985,194)	(929,103)	(914,331)	(857,340)	(805,830)
Pension plan administrative expense	<u>(25,814)</u>	<u>(25,932)</u>	<u>(22,134)</u>	<u>(21,038)</u>	<u>(20,877)</u>	<u>(22,691)</u>	<u>(22,123)</u>
Net change in plan fiduciary net position	1,948,357	1,657,479	(350,200)	1,221,243	696,983	(493,918)	270,656
Plan fiduciary net position - beginning	<u>12,617,223</u>	<u>10,959,744</u>	<u>11,309,944</u>	<u>10,088,701</u>	<u>9,391,718</u>	<u>9,885,636</u>	<u>9,614,980</u>
Plan fiduciary net position - ending (b)	<u>\$ 14,565,580</u>	<u>\$ 12,617,223</u>	<u>\$ 10,959,744</u>	<u>\$ 11,309,944</u>	<u>\$ 10,088,701</u>	<u>\$ 9,391,718</u>	<u>\$ 9,885,636</u>
Net pension liability (a-b)	<u>\$ 6,048,092</u>	<u>\$ 6,545,102</u>	<u>\$ 6,828,444</u>	<u>\$ 5,649,680</u>	<u>\$ 6,666,621</u>	<u>\$ 6,682,300</u>	<u>\$ 4,709,309</u>
Plan fiduciary net position as a percentage of total pension liability	70.66%	65.84%	61.61%	66.69%	60.21%	58.43%	67.73%
Covered payroll	<u>\$ 3,425,872</u>	<u>\$ 3,205,054</u>	<u>\$ 2,990,576</u>	<u>\$ 2,982,123</u>	<u>\$ 1,671,019</u>	<u>\$ 1,234,638</u>	<u>\$ 1,226,942</u>
Net pension liability as a percentage of covered payroll	176.54%	204.21%	228.33%	189.45%	398.96%	541.24%	383.82%

GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Fenton
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
June 30, 2021

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 505,822	\$ 505,822	\$ -	\$ 1,133,303	44.63%
6/30/2016	519,813	519,813	-	1,464,006	35.51%
6/30/2017	572,230	572,230	-	1,728,486	33.11%
6/30/2018	626,636	1,015,974	(389,338)	2,273,368	44.69%
6/30/2019	700,944	1,137,889	(436,945)	2,622,560	43.39%
6/30/2020	932,712	1,221,619	(288,907)	3,037,446	40.22%
6/30/2021	942,180	1,376,889	(434,709)	3,359,538	40.98%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	9-18 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement age	60
Mortality	RP-2014 Healthy Annuitant Mortality Tables - 50% male and 50% female blend RP-2014 Employee Mortality Tables - 50% male and 50% female blend RP-2014 Juvenile Mortality Tables - 50% male and 50% female blend RP-2014 Disabled Retiree Mortality Tables - 50% male and 50% female blend

GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Fenton
Required Supplementary Information
City of Fenton Retiree Health Care Plan
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2021

Measurement date June 30,	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 241,668	\$ 185,710	\$ 175,103	\$ 180,894
Interest on the total OPEB liability	186,790	206,645	224,838	219,460
Experience differences	(10,039)	(366,715)	30,620	18,093
Changes in actuarial assumptions	494,400	1,338,643	329,265	(39,380)
Other changes	(57,586)	-	-	-
Benefit payments and refunds	<u>(339,583)</u>	<u>(400,867)</u>	<u>(347,273)</u>	<u>(312,286)</u>
Net change in total OPEB liability	515,650	963,416	412,553	66,781
Total OPEB liability - beginning	<u>7,673,059</u>	<u>6,709,643</u>	<u>6,297,090</u>	<u>6,230,309</u>
Total OPEB liability - ending	<u>\$ 8,188,709</u>	<u>\$ 7,673,059</u>	<u>\$ 6,709,643</u>	<u>\$ 6,297,090</u>
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %	- %
Covered payroll	<u>\$ 4,227,231</u>	<u>\$ 3,782,214</u>	<u>\$ 2,900,995</u>	<u>\$ 2,958,408</u>
Total OPEB liability as a percentage of covered payroll	193.71%	202.87%	231.29%	212.85%

GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available

City of Fenton
Required Supplementary Information
City of Fenton Retiree Health Care Plan
Schedule of Employer Contributions
June 30, 2021

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2018	N/A	\$ 312,286	N/A	\$ 2,958,408	10.56%
6/30/2019	\$ 489,023	347,273	\$ 141,750	2,900,995	11.97%
6/30/2020	507,361	400,867	106,494	3,782,214	10.60%
6/30/2021	607,790	339,583	268,207	4,227,231	8.03%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	18 years, closed
Asset valuation method	There are no assets
Inflation	2.50%
Wage inflation	3.00%
Salary increases	3.00% to 9.70%
Investment rate of return	3.50%, net of OPEB plan investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	A version of the RP-2014 mortality table
Health care trend rates	Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.50% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Fenton
Note to Required Supplementary Information
For the Year Ended June 30, 2021

Note 1: Excess of expenditures over appropriations

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

The City's budgeted expenditures for the General Fund have been shown at the function level. The approved budgets of the City have been adopted at the function level for the General Fund and at the total fund level for other funds.

During the year ended June 30, 2021, the City incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amounts</u> <u>Appropriated</u>	<u>Expended</u>	<u>Variance</u>
General Fund			
General services	\$ 1,763,143	\$ 1,795,833	\$ 32,690
Police	2,739,368	2,839,344	99,976
Public service	198,205	198,875	670
Parks and Recreation Fund	152,181	155,672	3,491
Cemetery Fund	66,250	69,026	2,776
Emergency 911 Fund	348,850	356,025	7,175
Public Communications Fund	17,950	18,617	667
Technology and Improvements Fund	-	27,687	27,687

City of Fenton
Nonmajor Governmental Funds
Fund Descriptions

Special Revenue Funds

Local Street Fund - To account for the City's share of proceeds from gas and weight taxes levied by the State and distributed to local governmental units. State law requires that these taxes be used for street maintenance and construction.

Parks and Recreation Fund - To account for the activity related to the operation of the City's parks and recreation programs which are partially funded through user charges and donations.

Cemetery Fund - To account for the operation of the City's cemetery which is financed primarily through charges for services.

CDBG Fund - To account for the operation of the City's community and economic development which relies on Community Development Block Grant funding to cover expenses.

Garbage Collection Fund - To account for quarterly customer charges and charges for bags and tags which are to be used to pay contracted services for garbage collection.

Narcotics Enforcement Fund - To account for confiscated funds which are used by the Police Department to enhance local narcotics enforcement.

D.A.R.E. Fund - To account for the activity of the Drug Abuse Resistance Education (D.A.R.E.) Program. The City Police Department has set up the program to provide drug education to local elementary school students.

Emergency 911 Fund - To account for the monthly telephone surcharges assessed for emergency services that are received from Genesee County which are used to cover the costs related to the operation of the City's 911 system.

Public Communications - To account for the activity related to public communications.

Capital Projects Funds

Fire Equipment Fund - To account for revenues earmarked for the purchase of fire equipment.

Police Equipment Fund - To account for revenues earmarked for the purchase of police equipment.

Fire Ladder Truck Fund - To account for revenues earmarked for the purchase of a fire ladder truck.

Capital Improvement Projects (C.I.P.) Fund - To account for contributions from the General Fund equaling 1.5 mills of the City's total tax levy. These funds are primarily used for Major and Local Street Fund capital improvement projects and storm drain construction.

Technology and Improvement Fund - To account for capital improvement projects for technology and improvements for the City.

Working Capital Fund - To account for financial resources to be used for the acquisition or construction of major capital projects.

Eagles on Water SA Capital - To account for financial resources to be used for the acquisition or construction of Eagles on Water capital projects.

Debt Service Funds

Eagles on Water SA Debt Service - To account for financial resources to be used for the acquisition or construction of Eagles on Water capital projects.

City of Fenton
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					
	Local Street	Parks and Recreation	Cemetery	CDBG	Garbage Collection	Narcotics Enforcement
Assets						
Cash	\$ 96,465	\$ 127,429	\$ 308,890	\$ -	\$ 78,844	\$ 3,188
Receivables						
Customers	-	-	14,282	-	227,968	-
Special assessments	-	-	-	-	-	-
Due from other units of government	62,288	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	1,132	-	-	-	-
Total assets	\$ 158,753	\$ 128,561	\$ 323,172	\$ -	\$ 306,812	\$ 3,188
Liabilities						
Accounts payable	\$ 17,958	\$ 27,335	\$ 12,527	\$ -	\$ 59,745	\$ -
Accrued and other liabilities	7,857	11,772	-	-	642	-
Due to other funds	-	-	-	-	108,373	-
Unearned revenue	-	-	16,310	-	-	-
Total liabilities	25,815	39,107	28,837	-	168,760	-
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Fund Balances						
Non-spendable						
Prepaid items	-	1,132	-	-	-	-
Restricted	132,938	-	-	-	-	-
Committed	-	88,322	294,335	-	138,052	3,188
Total fund balances	132,938	89,454	294,335	-	138,052	3,188
Total liabilities, deferred inflows of resources, and fund balances	\$ 158,753	\$ 128,561	\$ 323,172	\$ -	\$ 306,812	\$ 3,188

City of Fenton
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			Capital Projects Funds		
	D.A.R.E.	Emergency 911	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
Assets						
Cash	\$ 23,638	\$ -	\$ 9,658	\$ 237,973	\$ 152,534	\$ 458,883
Receivables						
Customers	-	60,585	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other units of government	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	2,806	-	-	-	-
Total assets	\$ 23,638	\$ 63,391	\$ 9,658	\$ 237,973	\$ 152,534	\$ 458,883
Liabilities						
Accounts payable	\$ -	\$ 421	\$ -	\$ -	\$ -	\$ -
Accrued and other liabilities	-	10,835	-	-	-	-
Due to other funds	-	38,725	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	49,981	-	-	-	-
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Fund Balances						
Non-spendable						
Prepaid items	-	2,806	-	-	-	-
Restricted	-	-	9,658	-	-	-
Committed	23,638	10,604	-	237,973	152,534	458,883
Total fund balances	23,638	13,410	9,658	237,973	152,534	458,883
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,638	\$ 63,391	\$ 9,658	\$ 237,973	\$ 152,534	\$ 458,883

City of Fenton
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Capital Project Funds			Debt Service Fund		Total
	C.I.P.	Technology and Improvements	Working Capital	Eagles on Water SA Capital	Eagles on Water SA Debt	
Assets						
Cash	\$ 306,925	\$ 7,689	\$ 207,101	\$ 61,782	\$ 139,715	\$ 2,220,714
Receivables						
Customers	-	-	-	-	-	302,835
Special assessments	-	-	-	-	151,352	151,352
Due from other units of government	-	-	-	-	-	62,288
Due from other funds	-	-	-	200	-	200
Prepaid items	-	-	-	-	-	3,938
Total assets	<u>\$ 306,925</u>	<u>\$ 7,689</u>	<u>\$ 207,101</u>	<u>\$ 61,982</u>	<u>\$ 291,067</u>	<u>\$ 2,741,327</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 3,815	\$ -	\$ 121,801
Accrued and other liabilities	-	-	-	-	-	31,106
Due to other funds	-	-	-	-	200	147,298
Unearned revenue	-	-	-	-	-	16,310
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,815</u>	<u>200</u>	<u>316,515</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	8	-	159,806	159,814
Fund Balances						
Non-spendable						
Prepaid items	-	-	-	-	-	3,938
Restricted	-	-	-	-	131,061	273,657
Committed	306,925	7,689	207,093	58,167	-	1,987,403
Total fund balances	<u>306,925</u>	<u>7,689</u>	<u>207,093</u>	<u>58,167</u>	<u>131,061</u>	<u>2,264,998</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 306,925</u>	<u>\$ 7,689</u>	<u>\$ 207,101</u>	<u>\$ 61,982</u>	<u>\$ 291,067</u>	<u>\$ 2,741,327</u>

City of Fenton
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds					
	Local Street	Parks and Recreation	Cemetery	CDBG	Garbage Collection	Narcotics Enforcement
Revenues						
Intergovernmental	\$ 427,586	\$ -	\$ -	\$ 661	\$ -	\$ -
Other state grants	-	19,549	-	-	-	-
Charges for services	-	40,194	34,641	-	680,194	-
Interest income	107	6,266	341	-	-	-
Other revenue	-	1,220	-	-	-	-
Total revenues	<u>427,693</u>	<u>67,229</u>	<u>34,982</u>	<u>661</u>	<u>680,194</u>	<u>-</u>
Expenditures						
Current						
General government	-	-	68,006	-	-	-
Public safety	-	-	-	-	-	-
Public works	475,202	-	-	-	628,587	-
Community and economic development	-	-	-	661	-	-
Recreation and culture	-	155,672	-	-	-	-
Other functions	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>475,202</u>	<u>155,672</u>	<u>68,006</u>	<u>661</u>	<u>628,587</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,509)</u>	<u>(88,443)</u>	<u>(33,024)</u>	<u>-</u>	<u>51,607</u>	<u>-</u>
Other financing sources (uses)						
Transfers in	50,000	50,000	37,020	-	-	-
Transfers out	-	-	(1,020)	-	-	-
Bond/note proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>2,491</u>	<u>(38,443)</u>	<u>2,976</u>	<u>-</u>	<u>51,607</u>	<u>-</u>
Fund balances - beginning of year	<u>130,447</u>	<u>127,897</u>	<u>291,359</u>	<u>-</u>	<u>86,445</u>	<u>3,188</u>
Fund balances - end of year	<u>\$ 132,938</u>	<u>\$ 89,454</u>	<u>\$ 294,335</u>	<u>\$ -</u>	<u>\$ 138,052</u>	<u>\$ 3,188</u>

City of Fenton
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Funds		
	D.A.R.E.	Emergency 911	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
Revenues						
Intergovernmental	\$ -	\$ -	\$ 12,716	\$ -	\$ -	\$ 50,000
Other state grants	-	-	-	-	-	-
Charges for services	-	216,720	-	-	-	-
Interest income	26	23	11	264	169	509
Other revenue	-	-	-	70,000	-	-
Total revenues	<u>26</u>	<u>216,743</u>	<u>12,727</u>	<u>70,264</u>	<u>169</u>	<u>50,509</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	488	356,025	16,250	-	-	-
Public works	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Other functions	-	-	2,367	-	-	-
Capital outlay	-	-	-	317,184	-	-
Debt service						
Principal retirement	-	-	-	20,297	-	-
Interest and fiscal charges	-	-	-	3,607	-	-
Total expenditures	<u>488</u>	<u>356,025</u>	<u>18,617</u>	<u>341,088</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(462)</u>	<u>(139,282)</u>	<u>(5,890)</u>	<u>(270,824)</u>	<u>169</u>	<u>50,509</u>
Other financing sources (uses)						
Transfers in	-	140,000	5,000	150,000	25,000	-
Transfers out	-	-	-	-	-	-
Bond/note proceeds	-	-	-	306,909	-	-
Total other financing sources (uses)	<u>-</u>	<u>140,000</u>	<u>5,000</u>	<u>456,909</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	<u>(462)</u>	<u>718</u>	<u>(890)</u>	<u>186,085</u>	<u>25,169</u>	<u>50,509</u>
Fund balances - beginning of year	<u>24,100</u>	<u>12,692</u>	<u>10,548</u>	<u>51,888</u>	<u>127,365</u>	<u>408,374</u>
Fund balances - end of year	<u>\$ 23,638</u>	<u>\$ 13,410</u>	<u>\$ 9,658</u>	<u>\$ 237,973</u>	<u>\$ 152,534</u>	<u>\$ 458,883</u>

City of Fenton
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Capital Projects Fund			Debt Service Fund		Total
	C.I.P.	Technology and Improvements	Working Capital	Eagles on Water SA Capital	Eagles on Water SA Debt	
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 490,963
Other state grants	-	-	-	-	-	19,549
Charges for services	-	-	-	-	-	971,749
Interest income	341	9	230	-	7,283	15,579
Other revenue	-	-	-	-	38,863	110,083
Total revenues	341	9	230	-	46,146	1,607,923
Expenditures						
Current						
General government	-	-	-	-	-	68,006
Public safety	-	-	-	-	-	372,763
Public works	-	-	-	-	-	1,103,789
Community and economic development	-	-	2,318	-	-	2,979
Recreation and culture	-	-	-	-	-	155,672
Other functions	-	-	-	1,950	-	4,317
Capital outlay	-	27,687	-	-	-	344,871
Debt service						
Principal retirement	-	-	-	-	60,000	80,297
Interest and fiscal charges	-	-	-	-	9,768	13,375
Total expenditures	-	27,687	2,318	1,950	69,768	2,146,069
Excess (deficiency) of revenues over (under) expenditures	341	(27,678)	(2,088)	(1,950)	(23,622)	(538,146)
Other financing sources (uses)						
Transfers in	-	20,000	-	-	-	477,020
Transfers out	(250,000)	-	-	-	-	(251,020)
Bond/note proceeds	-	-	-	-	-	306,909
Total other financing sources (uses)	(250,000)	20,000	-	-	-	532,909
Net change in fund balances	(249,659)	(7,678)	(2,088)	(1,950)	(23,622)	(5,237)
Fund balances - beginning of year	556,584	15,367	209,181	60,117	154,683	2,270,235
Fund balances - end of year	\$ 306,925	\$ 7,689	\$ 207,093	\$ 58,167	\$ 131,061	\$ 2,264,998

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Local Street Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 359,066	\$ 394,066	\$ 427,586	\$ 33,520
Interest income	-	200	107	(93)
Total revenues	<u>359,066</u>	<u>394,266</u>	<u>427,693</u>	<u>33,427</u>
Expenditures				
Current				
Public works	<u>546,293</u>	<u>489,503</u>	<u>475,202</u>	<u>(14,301)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(187,227)</u>	<u>(95,237)</u>	<u>(47,509)</u>	<u>47,728</u>
Other financing sources				
Transfers in	<u>130,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	(57,227)	(45,237)	2,491	47,728
Fund balance - beginning of year	<u>130,447</u>	<u>130,447</u>	<u>130,447</u>	<u>-</u>
Fund balance - end of year	<u>\$ 73,220</u>	<u>\$ 85,210</u>	<u>\$ 132,938</u>	<u>\$ 47,728</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Parks and Recreation Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Other state grants	\$ -	\$ 19,549	\$ 19,549	\$ -
Charges for services	30,000	30,000	40,194	10,194
Interest income	6,000	4,700	6,266	1,566
Other revenue	<u>5,500</u>	<u>1,200</u>	<u>1,220</u>	<u>20</u>
Total revenues	<u>41,500</u>	<u>55,449</u>	<u>67,229</u>	<u>11,780</u>
Expenditures				
Current				
Recreation and culture	<u>154,041</u>	<u>152,181</u>	<u>155,672</u>	<u>3,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,541)</u>	<u>(96,732)</u>	<u>(88,443)</u>	<u>8,289</u>
Other financing sources				
Transfers in	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	(12,541)	(46,732)	(38,443)	8,289
Fund balance - beginning of year	<u>127,897</u>	<u>127,897</u>	<u>127,897</u>	<u>-</u>
Fund balance - end of year	<u>\$ 115,356</u>	<u>\$ 81,165</u>	<u>\$ 89,454</u>	<u>\$ 8,289</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Cemetery Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under) Final Budget
Revenues				
Charges for services	\$ 30,100	\$ 38,600	\$ 34,641	\$ (3,959)
Interest income	-	-	341	341
Total revenues	<u>30,100</u>	<u>38,600</u>	<u>34,982</u>	<u>(3,618)</u>
Expenditures				
Current				
General government	<u>81,000</u>	<u>64,250</u>	<u>68,006</u>	<u>3,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,900)</u>	<u>(25,650)</u>	<u>(33,024)</u>	<u>(7,374)</u>
Other financing sources (uses)				
Transfers in	36,000	36,000	37,020	1,020
Transfers out	-	(2,000)	(1,020)	980
Total other financing sources	<u>36,000</u>	<u>34,000</u>	<u>36,000</u>	<u>2,000</u>
Net change in fund balance	(14,900)	8,350	2,976	(5,374)
Fund balance - beginning of year	<u>291,359</u>	<u>291,359</u>	<u>291,359</u>	-
Fund balance - end of year	<u>\$ 276,459</u>	<u>\$ 299,709</u>	<u>\$ 294,335</u>	<u>\$ (5,374)</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

CDBG Fund	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 53,334	\$ 53,334	\$ 661	\$ (52,673)
Expenditures				
Current				
Community and economic development	53,334	53,334	661	(52,673)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Garbage Collection Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Charges for services	<u>\$ 541,000</u>	<u>\$ 680,800</u>	<u>\$ 680,194</u>	<u>\$ (606)</u>
Expenditures				
Current				
Public works	<u>527,150</u>	<u>629,650</u>	<u>628,587</u>	<u>(1,063)</u>
Net change in fund balance	13,850	51,150	51,607	457
Fund balance - beginning of year	<u>86,445</u>	<u>86,445</u>	<u>86,445</u>	<u>-</u>
Fund balance - end of year	<u>\$ 100,295</u>	<u>\$ 137,595</u>	<u>\$ 138,052</u>	<u>\$ 457</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Narcotics Enforcement Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
Expenditures				
Current				
Public safety	\$ 500	\$ 500	\$ -	\$ (500)
Net change in fund balance	(500)	(500)	-	500
Fund balance - beginning of year	<u>3,188</u>	<u>3,188</u>	<u>3,188</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,688</u>	<u>\$ 2,688</u>	<u>\$ 3,188</u>	<u>\$ 500</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

D.A.R.E. Fund	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Interest income	\$ -	\$ -	\$ 26	\$ 26
Expenditures				
Current				
Public safety	600	600	488	(112)
Net change in fund balance	(600)	(600)	(462)	138
Fund balance - beginning of year	24,100	24,100	24,100	-
Fund balance - end of year	<u>\$ 23,500</u>	<u>\$ 23,500</u>	<u>\$ 23,638</u>	<u>\$ 138</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Emergency 911 Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under) Final Budget
Revenues				
Charges for services	\$ 227,650	\$ 227,650	\$ 216,720	\$ (10,930)
Interest income	-	-	23	23
Total revenues	<u>227,650</u>	<u>227,650</u>	<u>216,743</u>	<u>(10,907)</u>
Expenditures				
Current				
Public safety	<u>348,650</u>	<u>348,850</u>	<u>356,025</u>	<u>7,175</u>
Excess (deficiency) of revenues over (under) expenditures	(121,000)	(121,200)	(139,282)	(18,082)
Other financing sources				
Transfers in	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Net change in fund balance	19,000	18,800	718	(18,082)
Fund balance - beginning of year	<u>12,692</u>	<u>12,692</u>	<u>12,692</u>	<u>-</u>
Fund balance - end of year	<u>\$ 31,692</u>	<u>\$ 31,492</u>	<u>\$ 13,410</u>	<u>\$ (18,082)</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

Public Communications Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Intergovernmental	\$ 23,500	\$ 13,000	\$ 12,716	\$ (284)
Interest income	-	-	11	11
Total revenues	<u>23,500</u>	<u>13,000</u>	<u>12,727</u>	<u>(273)</u>
Expenditures				
Current				
Public safety	25,000	15,250	16,250	1,000
Other functions	<u>2,700</u>	<u>2,700</u>	<u>2,367</u>	<u>(333)</u>
Total expenditures	<u>27,700</u>	<u>17,950</u>	<u>18,617</u>	<u>667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,200)</u>	<u>(4,950)</u>	<u>(5,890)</u>	<u>(940)</u>
Other financing sources				
Transfers in	<u>6,500</u>	<u>5,000</u>	<u>5,000</u>	-
Net change in fund balance	2,300	50	(890)	(940)
Fund balance - beginning of year	<u>10,548</u>	<u>10,548</u>	<u>10,548</u>	-
Fund balance - end of year	<u>\$ 12,848</u>	<u>\$ 10,598</u>	<u>\$ 9,658</u>	<u>\$ (940)</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

Fire Equipment Fund

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Interest income	\$ -	\$ -	\$ 264	\$ 264
Other revenue	-	70,000	70,000	-
Total revenues	-	70,000	70,264	264
Expenditures				
Capital outlay	-	317,184	317,184	-
Debt service				
Principal retirement	-	20,297	20,297	-
Interest and fiscal charges	-	3,607	3,607	-
Total expenditures	-	341,088	341,088	-
Excess (deficiency) of revenues over (under) expenditures	-	(271,088)	(270,824)	264
Other financing sources (uses)				
Transfers in	150,000	150,000	150,000	-
Bond/note proceeds	-	306,909	306,909	-
Total other financing sources (uses)	150,000	456,909	456,909	-
Net change in fund balance	150,000	185,821	186,085	264
Fund balance - beginning of year	51,888	51,888	51,888	-
Fund balance - end of year	<u>\$ 201,888</u>	<u>\$ 237,709</u>	<u>\$ 237,973</u>	<u>\$ 264</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

Police Equipment Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
Revenues				
Interest income	\$ -	\$ -	\$ 169	\$ 169
Other financing sources				
Transfers in	25,000	25,000	25,000	-
Net change in fund balance	25,000	25,000	25,169	169
Fund balance - beginning of year	127,365	127,365	127,365	-
Fund balance - end of year	<u>\$ 152,365</u>	<u>\$ 152,365</u>	<u>\$ 152,534</u>	<u>\$ 169</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

Fire Ladder Truck Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
State-shared revenue	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Interest income	<u>-</u>	<u>-</u>	<u>509</u>	<u>509</u>
Net change in fund balance	50,000	50,000	50,509	509
Fund balance - beginning of year	<u>408,374</u>	<u>408,374</u>	<u>408,374</u>	<u>-</u>
Fund balance - end of year	<u>\$ 458,374</u>	<u>\$ 458,374</u>	<u>\$ 458,883</u>	<u>\$ 509</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

C.I.P. Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
Revenues				
Interest income	\$ -	\$ -	\$ 341	\$ 341
Other financing uses				
Transfers out	(200,000)	(250,000)	(250,000)	-
Net change in fund balance	(200,000)	(250,000)	(249,659)	341
Fund balance - beginning of year	556,584	556,584	556,584	-
Fund balance - end of year	\$ 356,584	\$ 306,584	\$ 306,925	\$ 341

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

Technology and Improvements

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Interest income	\$ -	\$ -	\$ 9	\$ 9
Expenditures				
Capital outlay	-	-	27,687	27,687
Excess (deficiency) of revenues over (under) expenditures	-	-	(27,678)	(27,678)
Other financing sources				
Transfers in	20,000	20,000	20,000	-
Net change in fund balance	20,000	20,000	(7,678)	(27,678)
Fund balance - beginning of year	15,367	15,367	15,367	-
Fund balance - end of year	<u>\$ 35,367</u>	<u>\$ 35,367</u>	<u>\$ 7,689</u>	<u>\$ (27,678)</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

Working Capital Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Interest income	\$ -	\$ -	\$ 230	\$ 230
Expenditures				
Community and economic development	3,510	2,350	2,318	(32)
Excess (deficiency) of revenues over (under) expenditures	(3,510)	(2,350)	(2,088)	262
Other financing sources				
Transfers out	(50,000)	-	-	-
Net change in fund balance	(53,510)	(2,350)	(2,088)	262
Fund balance - beginning of year	209,181	209,181	209,181	-
Fund balance - end of year	<u>\$ 155,671</u>	<u>\$ 206,831</u>	<u>\$ 207,093</u>	<u>\$ 262</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Debt Service Funds
For the Year Ended June 30, 2021

Eagles on Water SA Capital Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Expenditures				
Current				
Other functions	\$ -	\$ 2,000	\$ 1,950	\$ (50)
Net change in fund balance	-	(2,000)	(1,950)	50
Fund balance - beginning of year	<u>60,117</u>	<u>60,117</u>	<u>60,117</u>	<u>-</u>
Fund balance - end of year	<u>\$ 60,117</u>	<u>\$ 58,117</u>	<u>\$ 58,167</u>	<u>\$ 50</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Debt Service Funds
For the Year Ended June 30, 2021

Eagles on Water SA Debt Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Interest income	\$ 9,900	\$ 9,200	\$ 7,283	\$ (1,917)
Other revenue	<u>54,000</u>	<u>39,000</u>	<u>38,863</u>	<u>(137)</u>
Total revenues	<u>63,900</u>	<u>48,200</u>	<u>46,146</u>	<u>(2,054)</u>
Expenditures				
Debt service				
Principal retirement	60,000	60,000	60,000	-
Interest and fiscal charges	<u>9,768</u>	<u>9,768</u>	<u>9,768</u>	<u>-</u>
Total expenditures	<u>69,768</u>	<u>69,768</u>	<u>69,768</u>	<u>-</u>
Net change in fund balance	(5,868)	(21,568)	(23,622)	(2,054)
Fund balance - beginning of year	<u>154,683</u>	<u>154,683</u>	<u>154,683</u>	<u>-</u>
Fund balance - end of year	<u>\$ 148,815</u>	<u>\$ 133,115</u>	<u>\$ 131,061</u>	<u>\$ (2,054)</u>

City of Fenton
Internal Service Funds
Fund Descriptions

Equipment Fund - To account for the costs of operating and maintaining certain automotive and street maintenance equipment used by various City departments. Such costs are billed to the other departments based on rental rates established by the State of Michigan Department of Highways and Transportation. Actual costs include depreciation on the machinery and equipment used to provide the service. The majority of the machinery and equipment maintained in this fund was purchased by other City departments. Replacement of the assets will be financed by Equipment Fund resources and continued contributions from other funds.

Sick Pay Fund - To account for the financing of accumulated sick pay earned by City employees. City funds contribute resources equal to the amounts earned by the employees during the current period.

City of Fenton
Internal Service Funds
Combining Statement of Net Position
June 30, 2021

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 507,183	\$ 247,156	\$ 754,339
Due from other funds	<u>656</u>	<u>-</u>	<u>656</u>
Total current assets	<u>507,839</u>	<u>247,156</u>	<u>754,995</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>796,445</u>	<u>-</u>	<u>796,445</u>
Total assets	<u>1,304,284</u>	<u>247,156</u>	<u>1,551,440</u>
Liabilities			
Current liabilities			
Accounts payable	16,148	-	16,148
Accrued and other liabilities	1,597	-	1,597
Current portion of installment purchase agreement	40,382	-	40,382
Current portion of compensated absences	<u>-</u>	<u>44,937</u>	<u>44,937</u>
Total current liabilities	<u>58,127</u>	<u>44,937</u>	<u>103,064</u>
Noncurrent liabilities			
Noncurrent portion of installment purchase agreement	239,778	-	239,778
Noncurrent portion of compensated absences	<u>-</u>	<u>179,748</u>	<u>179,748</u>
Total liabilities	<u>297,905</u>	<u>224,685</u>	<u>522,590</u>
Net Position			
Net investment in capital assets	796,445	-	796,445
Unrestricted	<u>209,934</u>	<u>22,471</u>	<u>232,405</u>
Total net position	<u>\$ 1,006,379</u>	<u>\$ 22,471</u>	<u>\$ 1,028,850</u>

City of Fenton
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
Operating revenue			
Billings to other funds	\$ 502,324	\$ -	\$ 502,324
Other revenue	<u>-</u>	<u>192,199</u>	<u>192,199</u>
Total operating revenue	<u>502,324</u>	<u>192,199</u>	<u>694,523</u>
Operating expenses			
Personnel services	53,860	-	53,860
Supplies	132,120	-	132,120
Utilities	38,035	-	38,035
Repairs and maintenance	109,924	-	109,924
Other expenses	17,875	130,009	147,884
Depreciation	<u>157,491</u>	<u>-</u>	<u>157,491</u>
Total operating expenses	<u>509,305</u>	<u>130,009</u>	<u>639,314</u>
Operating income (loss)	<u>(6,981)</u>	<u>62,190</u>	<u>55,209</u>
Nonoperating revenue			
Interest income	562	-	562
Gain on sale of assets	46,738	-	46,738
Interest expense	<u>(3,525)</u>	<u>-</u>	<u>(3,525)</u>
Total nonoperating revenues	<u>43,775</u>	<u>-</u>	<u>43,775</u>
Income before transfers	36,794	62,190	98,984
Transfers out	<u>-</u>	<u>(62,190)</u>	<u>(62,190)</u>
Change in net position	36,794	-	36,794
Net position - beginning of year	<u>969,585</u>	<u>22,471</u>	<u>992,056</u>
Net position - end of year	<u>\$ 1,006,379</u>	<u>\$ 22,471</u>	<u>\$ 1,028,850</u>

City of Fenton
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2021

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from interfund users	\$ 485,236	\$ 130,009	\$ 615,245
Payments to suppliers	(294,170)	-	(294,170)
Payments to employees	(53,860)	(130,009)	(183,869)
Net cash provided (used) by operating activities	<u>137,206</u>	<u>-</u>	<u>137,206</u>
Cash flows from noncapital financing activities			
Transfer to other funds	<u>-</u>	<u>(62,190)</u>	<u>(62,190)</u>
Cash flows from capital and related financing activities			
Proceeds from capital long term debt	300,000	-	300,000
Purchases/construction of capital assets	(432,185)	-	(432,185)
Principal and interest paid on long-term debt	(23,365)	-	(23,365)
Proceeds from sale of capital assets	46,738	-	46,738
Net cash used by capital and related financing activities	<u>(108,812)</u>	<u>-</u>	<u>(108,812)</u>
Cash flows from investing activities			
Interest received	<u>562</u>	<u>-</u>	<u>562</u>
Net change in cash	28,956	(62,190)	(33,234)
Cash - beginning of year	<u>478,227</u>	<u>309,346</u>	<u>787,573</u>
Cash - end of year	<u>\$ 507,183</u>	<u>\$ 247,156</u>	<u>\$ 754,339</u>

City of Fenton
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2021

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ (6,981)	\$ 62,190	\$ 55,209
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	157,491	-	157,491
Changes in assets and liabilities			
Accounts payable	2,307	-	2,307
Accrued and other liabilities	1,477	-	1,477
Due to other funds	(17,088)	-	(17,088)
Unearned revenue	-	-	-
Compensated absences	-	(62,190)	(62,190)
	<u>-</u>	<u>(62,190)</u>	<u>(62,190)</u>
Net cash provided (used) by operating activities	<u>\$ 137,206</u>	<u>\$ -</u>	<u>\$ 137,206</u>

**City of Fenton
Fiduciary Funds
Fund Descriptions**

Tax Collection Fund - To account for the collection and payment to the county and school districts for property taxes collected by the City on their behalf.

Employees Union Fund - To account for amounts withheld from City employee payroll related to union dues and related payments.

Community Center - To account for amounts held for the benefit of the Fenton Community Center.

City of Fenton
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
Assets				
Cash	\$ 17,544	\$ 9,300	\$ 37,271	\$ 64,115
Liabilities				
Due to other units of government	17,544	-	-	17,544
Due to union groups	-	9,300	-	9,300
Total liabilities	17,544	9,300	-	26,844
Net Position				
Restricted for fiduciary activities	-	-	37,271	37,271
Total net position	\$ -	\$ -	\$ 37,271	\$ 37,271

City of Fenton
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
Additions				
Property tax collections for other governments	\$ 21,523,789	\$ -	\$ -	\$ 21,523,789
Miscellaneous	-	-	7,003	7,003
Total additions	21,523,789	-	7,003	21,530,792
Deductions				
Payments of property tax to other governments	21,523,789	-	-	21,523,789
Change in net position	-	-	7,003	7,003
Net position - beginning of year	-	-	30,268	30,268
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,271</u>	<u>\$ 37,271</u>

City of Fenton
Component Unit Funds
Combining Balance Sheet - Downtown Development Authority
June 30, 2021

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
Assets				
Cash	\$ 1,669,411	\$ 204,713	\$ 70,609	\$ 1,944,733
Receivables				
Customers	-	-	24,000	24,000
Accrued interest and other	-	10,273	-	10,273
Prepaid items	-	2,872	-	2,872
Total assets	<u>\$ 1,669,411</u>	<u>\$ 217,858</u>	<u>\$ 94,609</u>	<u>\$ 1,981,878</u>
Liabilities				
Accounts payable	\$ -	\$ 31,911	\$ -	\$ 31,911
Accrued and other liabilities	-	14,636	-	14,636
Due to other funds	-	-	-	-
Due to other units of government	-	1,711	-	1,711
Total liabilities	<u>-</u>	<u>48,258</u>	<u>-</u>	<u>48,258</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	24,000	24,000
Fund Balances				
Non-spendable				
Prepaid items	-	2,872	-	2,872
Assigned	<u>1,669,411</u>	<u>166,728</u>	<u>70,609</u>	<u>1,906,748</u>
Total fund balances	<u>1,669,411</u>	<u>169,600</u>	<u>70,609</u>	<u>1,909,620</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,669,411</u>	<u>\$ 217,858</u>	<u>\$ 94,609</u>	<u>\$ 1,981,878</u>

City of Fenton
Component Unit Funds
Reconciliation of the Combining Balance Sheet to the Statement
of Net Position - Downtown Development Authority
June 30, 2021

Total fund balances - component unit	\$ 1,909,620
Total net position for component unit in the statement of net position is different because:	
Capital assets used in component unit activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets	459,140
Accumulated depreciation	(31,859)
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	24,000
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(26,899)
Long-term liabilities applicable to component unit activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Long-term liabilities at year-end consist of:	
Bonds payable and related items	<u>(3,613,981)</u>
Net position of component unit activities	<u>\$ (1,279,979)</u>

City of Fenton
Component Unit Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Downtown Development Authority
For the Year Ended June 30, 2021

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
Revenues				
Taxes	\$ 1,903,255	\$ -	\$ -	\$ 1,903,255
Interest income	2,309	-	-	2,309
Donations	-	10,938	12,000	22,938
Total revenues	<u>1,905,564</u>	<u>10,938</u>	<u>12,000</u>	<u>1,928,502</u>
Expenditures				
Current				
Community and economic development	-	979,492	-	979,492
Debt service				
Principal retirement	691,000	-	-	691,000
Interest and fiscal charges	129,227	-	-	129,227
Total expenditures	<u>820,227</u>	<u>979,492</u>	<u>-</u>	<u>1,799,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,085,337</u>	<u>(968,554)</u>	<u>12,000</u>	<u>128,783</u>
Other financing sources (uses)				
Transfers in	-	900,000	-	900,000
Transfers out	(900,000)	-	-	(900,000)
Total other financing sources (uses)	<u>(900,000)</u>	<u>900,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	185,337	(68,554)	12,000	128,783
Fund balances - beginning of year	<u>1,484,074</u>	<u>238,154</u>	<u>58,609</u>	<u>1,780,837</u>
Fund balances - end of year	<u>\$ 1,669,411</u>	<u>\$ 169,600</u>	<u>\$ 70,609</u>	<u>\$ 1,909,620</u>

City of Fenton
Component Unit Funds
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities - Downtown Development Authority
For the Year Ended June 30, 2021

Net change in fund balances - component unit \$ 128,783

Total change in net position reported for component unit activities in the statement of activities is different because:

Component unit funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (2,737)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in deferred inflows of resources (12,000)

Expenses are recorded when incurred in the statement of activities

Accrued interest 4,793

Bond proceeds are reported as financing sources in the component unit funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the component unit funds but reduces the liability in the statement of net position.

Repayments of long-term debt 691,000

Amortization of deferred charge and premium (4,460)

Change in net position of component units **\$ 805,379**

City of Fenton
Component Unit Funds
Combining Balance Sheet - Local Development Finance Authority
June 30, 2021

	Special Revenue Fund	Capital Projects Fund	Total
Assets			
Cash	\$ 1,424,167	\$ 202,082	\$ 1,626,249
Prepaid items	-	2,161	2,161
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,424,167</u>	<u>\$ 204,243</u>	<u>\$ 1,628,410</u>
Liabilities			
Accounts payable	\$ -	\$ 4,441	\$ 4,441
Accrued and other liabilities	-	1,519	1,519
Due to other funds	-	-	-
Due to other units of government	-	191	191
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>6,151</u>	<u>6,151</u>
Fund Balances			
Non-spendable			
Prepaid items	-	2,161	2,161
Committed	1,424,167	195,931	1,620,098
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,424,167</u>	<u>198,092</u>	<u>1,622,259</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,424,167</u>	<u>\$ 204,243</u>	<u>\$ 1,628,410</u>

City of Fenton
Component Unit Funds
Reconciliation of the Combining Balance Sheet to the Statement
of Net Position - Local Development Finance Authority
June 30, 2021

Total fund balances - component unit	\$ 1,622,259
Total net position for component unit activities in the statement of net position is different because:	
Capital assets used in component unit activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	37,630
Accumulated depreciation is	<u>(37,630)</u>
Net position of component unit activities	<u><u>\$ 1,622,259</u></u>

City of Fenton
Component Unit Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Local Development Finance Authority
For the Year Ended June 30, 2021

	Special Revenue Fund	Capital Projects Fund	Total
Revenues			
Taxes	\$ 227,463	\$ -	\$ 227,463
Interest income	820	-	820
	<u>228,283</u>	<u>-</u>	<u>228,283</u>
Total revenues			
Expenditures			
Current			
Community and economic development	-	90,637	90,637
	<u>228,283</u>	<u>(90,637)</u>	<u>137,646</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses)			
Transfers in	-	150,000	150,000
Transfers out	(150,000)	-	(150,000)
	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balances	78,283	59,363	137,646
Fund balances - beginning of year	<u>1,345,884</u>	<u>138,729</u>	<u>1,484,613</u>
Fund balances - end of year	<u>\$ 1,424,167</u>	<u>\$ 198,092</u>	<u>\$ 1,622,259</u>

City of Fenton
Component Unit Funds
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities - Local Development Finance Authority
For the Year Ended June 30, 2021

Net change in fund balances - component unit \$ 137,646

Total change in net position reported for component unit activities in the statement of activities is different because:

Component unit funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (6,272)

Change in net position of component units \$ 131,374

City of Fenton
Component Unit Funds
Balance Sheet - Brownfield Redevelopment Authority
June 30, 2021

	<u>Special Revenue Fund</u>
Assets	
Cash and cash equivalents	\$ <u>174,001</u>
Fund Balance	
Committed	\$ <u>174,001</u>

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to net position as of June 30, 2021.

City of Fenton
Component Unit Funds
Statement of Revenues, Expenditures and Changes in Fund Balances -
Brownfield Redevelopment Authority
For the Year Ended June 30, 2021

	Special Revenue Fund
Revenues	
Taxes	\$ 156,804
Expenditures	
Current	
Community and economic development	158,607
Excess (deficiency) of revenues over expenditures	(1,803)
Fund balance - beginning of year	175,804
Fund balance - end of year	\$ 174,001

Note: Reconciliation of the component unit fund statement of revenue, expenditures and changes in fund balances to the statement of activities for this component unit is not required as the net change in fund balance was equal to the change in net position as of June 30, 2021.

City of Fenton Statistical Section

This part of the City's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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City of Fenton
Net Position by Component (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 14,984,354	\$ 15,226,130	\$ 14,595,457	\$ 17,991,239	\$ 19,539,308	\$ 19,284,057	\$ 19,643,720	\$ 19,373,806	\$ 19,470,085	\$ 19,343,858
Restricted	306,634	342,981	325,746	466,969	646,525	22,058	12,697	147,939	524,574	692,464
Unrestricted	<u>4,536,097</u>	<u>4,270,293</u>	<u>4,563,196</u>	<u>967,655</u>	<u>272,032</u>	<u>1,461,620</u>	<u>(1,470,045)</u>	<u>(1,313,524)</u>	<u>(2,971,200)</u>	<u>(2,551,334)</u>
Total governmental activities net position	\$ 19,827,085	\$ 19,839,404	\$ 19,484,399	\$ 19,425,863	\$ 20,457,865	\$ 20,767,735	\$ 18,186,372	\$ 18,208,221	\$ 17,023,459	\$ 17,484,988
Business-type activities										
Net investment in capital assets	\$ 22,430,452	\$ 22,299,268	\$ 22,864,031	\$ 22,870,359	\$ 23,677,936	\$ 23,923,985	\$ 24,544,260	\$ 24,825,036	\$ 24,792,153	\$ 25,346,463
Restricted	899,207	902,777	903,659	718,141	497,023	497,524	498,022	511,144	519,555	520,557
Unrestricted	<u>3,061,763</u>	<u>4,151,403</u>	<u>4,400,159</u>	<u>2,794,630</u>	<u>2,560,862</u>	<u>2,954,143</u>	<u>3,250,373</u>	<u>3,235,438</u>	<u>2,897,496</u>	<u>2,245,128</u>
Total business-type activities net position	\$ 26,391,422	\$ 27,353,448	\$ 28,167,849	\$ 26,383,130	\$ 26,735,821	\$ 27,375,652	\$ 28,292,655	\$ 28,571,618	\$ 28,209,204	\$ 28,112,148
Primary government in total										
Net investment in capital assets	\$ 37,513,398	\$ 37,459,488	\$ 40,861,598	\$ 43,217,244	\$ 43,217,244	\$ 43,208,042	\$ 44,187,980	\$ 44,198,842	\$ 44,262,238	\$ 44,690,321
Restricted	1,245,758	1,229,405	1,185,110	1,143,548	1,143,548	519,582	510,719	659,083	1,044,129	1,213,021
Unrestricted	<u>8,421,696</u>	<u>8,963,355</u>	<u>3,762,285</u>	<u>2,832,894</u>	<u>2,832,894</u>	<u>4,415,763</u>	<u>1,780,328</u>	<u>1,921,914</u>	<u>(73,704)</u>	<u>(306,206)</u>
Total primary government net position	\$ 47,180,852	\$ 47,652,248	\$ 45,808,993	\$ 47,193,686	\$ 47,193,686	\$ 48,143,387	\$ 46,479,027	\$ 46,779,839	\$ 45,232,663	\$ 45,597,136

City of Fenton
Changes in Governmental Net Position (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
General government	\$ 1,113,243	\$ 1,187,672	\$ 1,158,881	\$ 901,765	\$ 1,522,667	\$ 1,553,731	\$ 1,149,980	\$ 1,441,018	\$ 1,813,863	\$ 1,884,896
Public safety	3,193,232	3,537,017	3,862,440	3,435,808	3,806,701	3,816,834	3,543,104	4,140,400	3,997,176	3,945,251
Public works	1,714,085	1,617,226	1,941,813	1,674,754	2,662,804	2,530,687	2,694,296	2,802,480	3,430,739	3,054,905
Community and economic development	81,215	148,585	146,317	80,389	136,692	48,530	58,557	39,533	45,349	46,836
Recreation and culture	247,276	233,723	235,592	197,997	242,489	333,480	192,464	480,990	384,197	282,653
Interest on long-term debt	14,838	10,728	5,384	2,685	42,771	18,463	18,109	17,617	15,608	20,506
Total governmental activities expenses	\$ 6,363,889	\$ 6,734,951	\$ 7,350,427	\$ 6,293,398	\$ 8,414,124	\$ 8,301,725	\$ 7,656,510	\$ 8,922,038	\$ 9,686,932	\$ 9,235,047
Program revenues										
Charges for services										
General government	\$ 202,365	\$ 208,100	\$ 255,473	\$ 276,839	\$ 283,420	\$ 401,846	\$ 374,911	\$ 365,351	\$ 208,120	\$ 392,657
Public safety	660,348	657,777	791,750	640,201	593,827	688,795	724,721	851,108	816,384	950,643
Public works	514,795	482,083	504,184	515,954	564,705	444,023	641,271	657,832	531,576	628,841
Recreation and culture	48,239	36,439	35,040	33,609	48,837	39,641	44,124	37,275	39,397	46,319
Total charges for services	1,425,747	1,384,399	1,586,447	1,466,603	1,490,789	1,574,305	1,785,027	1,911,566	1,595,477	2,018,460
Operating grants and contributions	848,615	853,534	994,172	1,027,860	915,938	1,097,117	1,412,528	1,745,084	1,470,888	1,915,747
Capital grants and contributions	53,961	369,868	96,490	2,300,171	2,291,884	57,875	78,873	53,287	52,702	50,661
Total program revenue	2,328,323	2,607,801	2,677,109	4,794,634	4,698,611	2,729,297	3,276,428	3,709,937	3,119,067	3,984,868
Net (expense) revenue	\$ (4,035,566)	\$ (4,127,150)	\$ (4,673,318)	\$ (1,498,764)	\$ (3,715,513)	\$ (5,572,428)	\$ (4,380,082)	\$ (5,212,101)	\$ (6,567,865)	\$ (5,250,179)
General revenues										
Property taxes - unrestricted	\$ 3,363,316	\$ 3,262,058	\$ 3,322,738	\$ 3,424,206	\$ 3,534,843	\$ 3,708,882	\$ 3,778,621	\$ 3,917,821	\$ 4,113,868	\$ 4,274,590
State-shared revenues - unrestricted	878,056	891,798	926,059	934,921	928,933	1,000,935	1,036,963	1,083,898	1,078,056	1,222,224
Investment earnings - unrestricted	11,975	8,650	5,537	865	21,275	7,310	23,632	67,559	74,681	9,174
Gain from sale of land	-	-	-	-	-	1,023,390	212,726	-	-	-
Miscellaneous	29,561	39,777	24,711	79,943	161,161	141,781	32,422	164,672	116,498	205,720
Total general revenues	4,282,908	4,202,283	4,279,045	4,439,935	4,646,212	5,882,298	5,084,364	5,233,950	5,383,103	5,711,708
Change in net position	247,342	75,133	(394,273)	2,941,171	930,699	309,870	704,282	21,849	(1,184,762)	461,529
Net position, beginning of the year	19,579,743	19,752,271	19,878,672	16,484,692	19,527,166	20,457,865	17,482,090	18,186,372	18,208,221	17,023,459
Net position, end of the year	\$ 19,827,085	\$ 19,827,404	\$ 19,484,399	\$ 19,425,863	\$ 20,457,865	\$ 20,767,735	\$ 18,186,372	\$ 18,208,221	\$ 17,023,459	\$ 17,484,988

City of Fenton
Changes in Business-Type Net Position (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Water	\$ 2,295,676	\$ 2,550,571	\$ 2,520,564	\$ 2,798,558	\$ 2,814,340	\$ 2,818,907	\$ 2,854,236	\$ 2,779,415	\$ 3,158,884	\$ 3,283,528
Sewer	<u>2,082,283</u>	<u>2,120,388</u>	<u>2,350,065</u>	<u>2,443,606</u>	<u>2,362,559</u>	<u>2,416,564</u>	<u>2,392,440</u>	<u>2,530,069</u>	<u>3,180,274</u>	<u>2,960,922</u>
Total expenses	<u>\$ 4,377,959</u>	<u>\$ 4,670,959</u>	<u>\$ 4,870,629</u>	<u>\$ 5,242,164</u>	<u>\$ 5,176,899</u>	<u>\$ 5,235,471</u>	<u>\$ 5,246,676</u>	<u>\$ 5,309,484</u>	<u>\$ 6,339,158</u>	<u>\$ 6,244,450</u>
Program revenues										
Charges for services										
Water	\$ 2,817,673	\$ 2,902,028	\$ 2,789,912	\$ 2,682,329	\$ 2,699,712	\$ 2,829,006	\$ 2,962,146	\$ 2,853,820	\$ 2,928,889	\$ 3,034,238
Sewer	<u>2,506,911</u>	<u>2,530,529</u>	<u>2,701,837</u>	<u>2,775,942</u>	<u>2,632,951</u>	<u>2,868,472</u>	<u>2,859,433</u>	<u>2,534,790</u>	<u>2,559,769</u>	<u>2,673,906</u>
Total charges for services	5,324,584	5,432,557	5,491,749	5,458,271	5,332,663	5,697,478	5,821,579	5,388,610	5,488,658	5,708,144
Operating grants and contributions										
Water	-	-	-	-	8,377	4,566	-	3,034,238	14,081	13,337
Capital grants and contributions										
Water	-	-	1,155	-	-	-	-	-	-	-
Sewer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>316,443</u>	<u>291,971</u>
Total capital grants and contributions	-	-	1,155	-	-	-	100,000	-	316,443	291,971
Total program revenue	<u>5,324,584</u>	<u>5,432,557</u>	<u>5,492,904</u>	<u>5,458,271</u>	<u>5,341,040</u>	<u>5,702,044</u>	<u>5,921,579</u>	<u>8,422,848</u>	<u>5,819,182</u>	<u>6,013,452</u>
Net (expense) revenue	<u>\$ 946,625</u>	<u>\$ 761,598</u>	<u>\$ 622,275</u>	<u>\$ 216,107</u>	<u>\$ 164,141</u>	<u>\$ 466,573</u>	<u>\$ 674,903</u>	<u>\$ 3,113,364</u>	<u>\$ (519,976)</u>	<u>\$ (230,998)</u>
General revenues										
Investment earnings	\$ 80,003	\$ 81,470	\$ 69,254	\$ 68,472	\$ 69,103	\$ 69,502	\$ 73,393	\$ 92,421	\$ 94,888	\$ 15,642
Miscellaneous	<u>109,536</u>	<u>118,958</u>	<u>122,872</u>	<u>106,024</u>	<u>119,447</u>	<u>103,756</u>	<u>88,283</u>	<u>107,416</u>	<u>62,674</u>	<u>118,300</u>
Total general revenues	<u>189,539</u>	<u>200,428</u>	<u>192,126</u>	<u>174,496</u>	<u>188,550</u>	<u>173,258</u>	<u>161,676</u>	<u>199,837</u>	<u>157,562</u>	<u>133,942</u>
Change in net position	<u>\$ 1,136,164</u>	<u>\$ 962,026</u>	<u>\$ 814,401</u>	<u>\$ 390,603</u>	<u>\$ 352,691</u>	<u>\$ 639,831</u>	<u>\$ 836,579</u>	<u>\$ 3,313,201</u>	<u>\$ (362,414)</u>	<u>\$ (97,056)</u>

City of Fenton
Fund Balances - Governmental Funds (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 259,318	\$ 114,866	\$ 128,536	\$ 205,844	\$ 225,256	\$ 113,258	\$ 245,912	\$ 133,975	\$ 112,653	\$ 96,833
Unassigned	<u>1,824,928</u>	<u>1,997,467</u>	<u>2,072,217</u>	<u>2,063,205</u>	<u>2,271,469</u>	<u>3,627,539</u>	<u>4,065,648</u>	<u>4,638,620</u>	<u>4,518,937</u>	<u>4,834,232</u>
Total General Fund	<u>\$ 2,084,246</u>	<u>\$ 2,112,333</u>	<u>\$ 2,200,753</u>	<u>\$ 2,269,049</u>	<u>\$ 2,496,725</u>	<u>\$ 3,740,797</u>	<u>\$ 4,311,560</u>	<u>\$ 4,772,595</u>	<u>\$ 4,631,590</u>	<u>\$ 4,931,065</u>
All other governmental funds										
Nonspendable	\$ 109,426	\$ 34,844	\$ 6,115	\$ 180,406	\$ -	\$ 5,200	\$ -	\$ 1,745	\$ -	\$ 3,938
Restricted	306,634	342,981	325,746	466,969	646,525	586,715	479,710	778,420	530,829	697,692
Committed	<u>2,234,661</u>	<u>2,453,146</u>	<u>2,814,515</u>	<u>2,225,843</u>	<u>2,249,902</u>	<u>2,374,910</u>	<u>2,428,679</u>	<u>2,223,193</u>	<u>1,974,557</u>	<u>1,987,403</u>
Total all other governmental funds	<u>\$ 2,650,721</u>	<u>\$ 2,830,971</u>	<u>\$ 3,146,376</u>	<u>\$ 2,873,218</u>	<u>\$ 2,896,427</u>	<u>\$ 2,966,825</u>	<u>\$ 2,908,389</u>	<u>\$ 3,003,358</u>	<u>\$ 2,505,386</u>	<u>\$ 2,689,033</u>

City of Fenton
Changes in Fund Balances - Governmental Funds (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 3,385,278	\$ 3,348,895	\$ 3,322,738	\$ 3,424,206	\$ 3,580,480	\$ 3,708,882	\$ 3,778,621	\$ 3,917,821	\$ 4,113,868	\$ 4,274,590
Licenses and permits	241,133	261,742	385,792	361,176	315,977	341,797	532,383	523,336	461,317	506,212
Federal grants	-	-	-	-	-	-	-	-	-	300,762
Intergovernmental	1,763,701	1,770,023	1,958,266	2,119,347	2,086,654	2,151,470	2,523,257	2,876,495	2,597,316	2,879,179
Charges for services	1,017,853	956,694	1,024,081	952,684	1,000,674	1,111,853	1,120,541	1,259,607	1,051,269	1,387,033
Fines and forfeitures	63,386	69,385	86,273	56,117	59,182	66,954	63,172	58,811	62,578	61,200
Interest and rents	78,983	75,167	71,163	65,576	87,428	88,505	106,417	91,579	89,441	22,267
Proceeds from sale of land	-	-	-	-	-	1,023,390	212,726	-	-	-
Other	82,860	138,420	107,841	115,488	163,121	213,991	119,600	272,574	236,233	303,634
Total revenues	6,633,194	6,620,326	6,956,154	7,094,594	7,293,516	8,706,842	8,456,717	9,000,223	8,612,022	9,734,877
Expenditures										
Current										
General government	897,923	931,392	978,534	1,036,510	1,191,988	1,409,092	1,313,739	1,150,655	1,245,170	1,519,746
Public safety	2,751,813	2,887,330	3,210,569	3,104,603	3,118,232	3,268,382	3,454,965	3,716,776	3,516,958	3,866,116
Public works	1,492,077	1,866,562	1,727,676	2,364,363	1,830,656	1,881,552	1,428,300	2,026,322	2,438,551	2,174,680
Community and economic development	76,674	121,515	120,753	112,344	119,269	48,776	66,613	37,718	42,217	47,384
Recreation and culture	215,869	193,117	197,247	238,822	209,242	328,020	210,858	452,128	350,565	272,306
Other	216,098	312,066	239,149	285,125	306,052	269,311	291,392	333,554	346,150	294,036
Capital outlay	30,956	-	-	38,088	692,752	52,172	1,351,681	641,219	1,114,841	1,311,477
Debt service										
Principal	92,371	95,710	110,023	113,579	71,087	97,055	72,002	89,806	90,791	117,101
Interest and fiscal charges	16,259	12,920	9,693	6,137	11,712	16,480	16,452	18,433	16,459	18,008
Total Expenditures	5,790,040	6,420,612	6,593,644	7,299,571	7,550,990	7,370,840	8,206,002	8,466,611	9,161,702	9,620,854
Excess (deficiency) of revenues over expenditures	843,154	199,714	362,510	(204,977)	(257,474)	1,336,002	250,715	533,612	(549,680)	114,023
Other Financing Sources (Uses)										
Debt issuance	-	8,623	41,315	-	543,900	-	-	-	-	-
Note proceeds	-	-	-	-	-	-	261,612	-	-	306,909
Transfers in	1,281,541	1,397,520	835,500	1,455,729	687,313	579,925	749,042	537,457	1,051,086	727,020
Transfers out	(1,281,541)	(1,397,520)	(835,500)	(1,455,614)	(722,854)	(601,457)	(749,042)	(515,065)	(1,140,383)	(664,830)
Total other financing sources (uses)	-	8,623	41,315	115	508,359	(21,532)	261,612	22,392	(89,297)	369,099
Net change in fund balances	843,154	208,337	403,825	(204,862)	250,885	1,314,470	512,327	556,004	(638,977)	483,122
Fund Balances - Beginning of year	3,891,813	4,734,967	4,943,304	5,347,129	5,142,267	5,393,152	6,707,622	7,219,949	7,775,953	7,136,976
Fund Balances - End of year	\$ 4,734,967	\$ 4,943,304	\$ 5,347,129	\$ 5,142,267	\$ 5,393,152	\$ 6,707,622	\$ 7,219,949	\$ 7,775,953	\$ 7,136,976	\$ 7,620,098
Debt service as a percentage of noncapital expenditures	1.97%	1.91%	1.86%	2.18%	1.80%	1.70%	1.29%	1.38%	1.33%	1.63%

City of Fenton
Taxable Value and Actual Value of Taxable Property (Unaudited)
2012 - 2021

Taxable Value by Property Type									
Tax Year	Fiscal Year Ended June 30,	Residential	Commercial	Industrial	Personal Property	Total Value	Tax Rate (mills)	Estimated Actual Value	Taxable Value % of Actual
2012	2013	\$ 167,761,995	\$ 140,539,194	\$ 20,001,157	\$ 28,211,700	\$ 356,514,046	10.62	\$ 728,190,650	48.96%
2013	2014	168,560,791	133,698,994	18,859,238	29,956,905	351,075,928	10.62	771,926,770	48.96%
2014	2015	172,420,345	130,599,352	17,873,885	28,776,200	349,669,782	10.62	783,071,802	44.65%
2015	2016	178,498,394	131,322,778	18,012,406	30,833,100	358,666,678	10.62	851,507,232	42.12%
2016	2017	185,386,955	145,428,380	18,227,991	28,181,518	377,224,844	10.43	936,157,572	40.30%
2017	2018	208,487,400	156,240,983	19,092,836	24,487,400	408,308,619	10.36	1,074,987,500	37.98%
2018	2019	208,990,537	156,406,850	19,804,736	24,911,700	410,113,823	10.30	1,077,182,300	38.07%
2019	2020	225,117,417	163,414,955	21,486,298	27,362,700	437,381,370	10.18	1,185,461,800	36.90%
2020	2021	242,025,984	175,070,680	21,486,298	28,873,700	467,456,662	10.00	1,273,141,200	36.72%

Note:

Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

City of Fenton
Direct and Overlapping Property Tax Rates (Unaudited)
2012 - 2021

Tax Year	<u>Millage Rates - Direct City Taxes</u>				<u>Overlapping taxes</u>						<u>Total tax rate</u>	
	<u>General Operating</u>	<u>Debt</u>	<u>Total Direct Taxes</u>	<u>County</u>	<u>Community College</u>	<u>Intermediate School District</u>	<u>Regional Parks</u>	<u>School Debt</u>	<u>School: Homestead</u>	<u>School: Non-homestead</u>	<u>Homestead</u>	<u>Non-homestead</u>
2012	10.62	0.00	10.62	10.56	2.86	3.53	0.37	7.29	6.00	18.00	41.23	59.23
2013	10.62	0.00	10.62	10.56	2.86	3.53	0.37	7.88	6.00	18.00	41.82	59.82
2014	10.62	0.00	10.62	11.06	2.86	3.53	0.37	7.88	6.00	18.00	42.32	60.32
2015	10.62	0.00	10.62	11.49	2.86	3.53	0.37	6.80	6.00	18.00	41.67	59.67
2016	10.43	0.00	10.43	11.49	2.81	3.78	0.37	6.70	6.00	18.00	41.58	59.58
2017	10.36	0.00	10.36	11.49	2.81	3.78	0.37	5.78	6.00	18.00	40.59	58.59
2018	10.30	0.00	10.30	12.78	2.80	3.77	0.36	6.55	6.00	18.00	42.57	60.57
2019	10.18	0.00	10.18	12.77	2.80	3.77	0.36	6.44	6.00	18.00	42.32	60.32

City of Fenton
Principal Property Tax Payers (Unaudited)
June 30, 2021 and 2012

Taxpayer	2021 Taxable Value	Percentage of Total	2012 Taxable Value	Percentage of Total	2012 Rank
Georgetown HC2, LLC	\$ 15,963,959	3.42%	\$ 8,111,592	1.98%	1
Consumers Energy Co	8,999,300	1.93%	6,560,628	1.60%	3
Tilden Fundamental Holdings, LLC	6,165,000	1.32%	n/a	n/a	n/a
Fenton Real Estate Company LLC	5,215,170	1.12%	n/a	n/a	n/a
RRE Pier 38 Associates, LLC	5,080,500	1.09%	n/a	n/a	n/a
WalMart Properties	4,094,386	0.88%	5,508,582	1.35%	5
MIMG CXXXVI Fairfield Condo Sub LLC	3,631,929	0.78%	n/a	n/a	n/a
Tilden Fundamental Holdings, LLC	3,508,947	0.75%	n/a	n/a	n/a
Centrro NP Holdings 11 SPE, LLC	3,396,375	0.73%	3,902,515	0.95%	9
Regency Realty Group INC/ Fenton Vil	3,234,660	0.69%	5,323,232	1.30%	6

Note:

Source: Data provided by local assessment records.

City of Fenton
Property Tax Levies and Collections (Unaudited)
2012 - 2021

Tax Year	Fiscal Year June 30,	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2012	2013	\$ 3,721,272	\$ 3,478,670	93.5%	\$ 227,994	\$ 3,706,664	99.6%
2013	2014	3,668,395	3,468,400	94.6%	192,217	3,660,617	99.8%
2014	2015	3,652,514	3,472,264	95.1%	168,628	3,640,892	99.7%
2015	2016	3,742,407	3,596,238	96.1%	141,438	3,737,676	99.9%
2016	2017	3,879,642	3,763,026	97.0%	110,661	3,873,687	99.8%
2017	2018	4,000,746	3,901,735	97.5%	93,606	3,995,341	99.9%
2018	2019	4,184,147	4,077,461	97.5%	98,765	4,176,226	99.8%
2019	2020	4,414,367	4,284,036	97.0%	114,815	4,398,851	99.6%
2020	2021	4,608,581	4,464,252	96.9%	116,867	4,581,119	99.4%

Note:

Source: Data provided from local Treasurer's Department.

City of Fenton
Ratios of Outstanding Debt (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Installment purchase agreements	\$ 359,675	\$ 263,965	\$ 164,795	\$ 62,039	\$ 31,550	\$ -	\$ 244,610	\$ 209,804	\$ 174,013	\$ 703,981
Special assessment bonds	-	-	-	-	555,000	500,000	445,000	390,000	335,000	275,000
Capital leases	-	7,903	54,141	22,604	10,505	-	-	-	-	-
Total	359,675	271,868	218,936	84,643	597,055	500,000	689,610	599,804	509,013	978,981
Business-type Activities										
General obligation bonds	5,216,199	4,319,824	3,385,039	2,406,770	1,402,874	935,249	465,055	-	-	-
Capital improvement bonds	2,660,000	2,625,000	2,585,000	2,545,000	2,505,000	2,465,000	2,420,000	2,375,000	2,370,477	2,227,112
Revenue bonds	7,402,262	6,865,790	6,260,790	5,635,790	5,865,790	4,927,133	4,318,156	3,589,397	2,944,397	2,289,397
Total	15,278,461	13,810,614	12,230,829	10,587,560	9,773,664	8,327,382	7,203,211	5,964,397	5,314,874	4,516,509
Total debt of the government	\$ 15,638,136	\$ 14,082,482	\$ 12,449,765	\$ 10,672,203	\$ 10,370,719	\$ 8,827,382	\$ 7,892,821	\$ 6,564,201	\$ 5,823,887	\$ 5,495,490
Total Taxable Value	\$ 367,283,717	\$ 356,514,046	\$ 351,075,928	\$ 349,669,782	\$ 358,666,678	\$ 377,224,844	\$ 377,224,844	\$ 410,113,823	\$ 437,381,370	\$ 467,456,662
Ratio of total debt to taxable value	4.26%	4.92%	4.93%	3.05%	2.89%	3.96%	2.09%	1.60%	1.33%	1.18%
Total Population ⁽¹⁾	11,746	11,746	11,746	11,746	11,746	11,746	11,746	11,746	11,746	11,746
Total debt per capita	\$ 1,614	\$ 1,495	\$ 1,292	\$ 1,447	\$ 1,452	\$ 1,275	\$ 672	\$ 559	\$ 496	\$ 468
Personal Income ⁽¹⁾	\$ 31,639	\$ 32,421	\$ 33,033	\$ 34,878	\$ 36,612	\$ 39,198	\$ 40,618	\$ 41,929	N/A	N/A
Ratio of total debt to personal income	4.21%	3.70%	3.21%	2.61%	2.41%	1.92%	1.65%	2.22%	1.97%	1.77%

Note:

Source: Actual 2010 Census Reports.

(1) Source: Bureau of Economic Analysis. For fiscal year 2021 percent of personal income, the divisor used was for 2020 since 2021 Personal income is not available at this time

City of Fenton
Ratios of General Bonded Debt Outstanding
2012 - 2021

<u>Fiscal Year</u>	<u>Limited-Tax General Obligation Bonds (LTGO)</u>	<u>Tax Supported Bonds (UTGO)</u>	<u>Less Pledged Debt Service Funds</u>	<u>Other General Obligation Debt</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value</u>	<u>Debt as a Percentage of Estimated Actual Value</u>	<u>Population (1)</u>	<u>Debt Per Capita</u>
2012	\$ -	\$ -	\$ -	\$ 5,216,199	\$ 5,216,199	\$ 821,974,414	0.63%	11,746	444
2013	-	-	-	4,319,825	4,319,825	728,190,650	0.59%	11,746	368
2014	-	-	-	3,385,039	3,385,039	771,926,770	0.44%	11,746	288
2015	-	-	-	2,406,770	2,406,770	783,071,802	0.31%	11,746	205
2016	-	-	-	1,957,874	1,957,874	851,507,232	0.23%	11,746	167
2017	-	-	-	1,435,249	1,435,249	936,157,572	0.15%	11,746	122
2018	-	-	-	910,055	910,055	1,074,987,500	0.08%	11,746	77
2019	-	-	-	390,000	390,000	1,077,182,300	0.04%	11,746	33
2020	-	-	-	335,000	335,000	1,185,461,800	0.03%	11,746	29
2021	-	-	-	275,000	275,000	1,185,461,800	0.02%	11,746	23

Note:

(1) Source: 2010 Census Reports.

City of Fenton
Direct and Overlapping Governmental Activities Debt (Unaudited)
June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated % Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Genesee County	\$ 250,146,954	4.56%	\$ 11,406,701
Mott Community College	65,920,000	4.28%	2,821,376
Holly School District	54,830,000	0.10%	54,830
Fenton School District	16,056,000	44.21%	7,098,358
Lake Fenton School District	15,575,000	4.50%	700,875
Genesee Intermediate School District	9,538,669	4.28%	408,255
Bishop Airport Authority	<u>4,895,000</u>	4.56%	<u>223,212</u>
 Total Overlapping Debt	 416,961,623		 22,713,607
 Direct City Debt	 <u>7,148,784</u>	 100.00%	 <u>7,148,784</u>
 Total Direct and Overlapping Debt	 <u>\$ 424,110,407</u>		 <u>\$ 29,862,391</u>

Sources: Assessed value data used to estimate applicable percentages provided by the City Assessor. Debt outstanding data provided by each governmental unit.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fenton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Fenton
Legal Debt Margin (Unaudited)
2012 - 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Calculation of debt limit:										
State equalized valuation	\$ 410,987,207	\$ 364,095,325	\$ 385,963,385	\$ 391,535,901	\$ 425,753,616	\$ 468,078,786	\$ 535,493,750	\$ 538,591,150	\$ 586,768,909	\$ 628,253,609
10% of taxable value	41,098,720	36,409,532	38,596,338	39,153,590	42,575,361	46,807,878	53,549,375	53,859,115	58,676,891	62,825,361
Calculation of debt subject to limit:										
Total debt	19,313,016	17,166,930	15,206,058	17,000,316	17,055,819	14,972,382	13,904,223	11,619,834	9,955,000	9,713,181
Less: debt not subject to limit:										
Special assessment bonds	-	-	-	-	555,000	500,000	445,000	390,000	335,000	275,000
Revenue bonds	7,402,262	6,865,790	6,260,790	5,635,790	5,865,790	4,927,133	4,318,156	3,712,031	3,090,000	2,289,397
Net debt subject to limit	11,910,754	10,301,140	8,945,268	11,364,526	10,635,029	9,545,249	9,141,067	7,517,803	6,530,000	7,148,784
Legal debt margin	\$ 41,098,720	\$ 36,409,532	\$ 38,596,338	\$ 39,153,590	\$ 42,575,361	\$ 46,807,878	\$ 53,549,375	\$ 53,859,115	\$ 58,676,891	\$ 62,825,361
Net debt subject to limit as % of debt limit	28.98%	28.29%	23.18%	29.03%	24.98%	20.39%	17.07%	13.96%	11.13%	11.38%

City of Fenton
Pledged-Revenue Coverage (Unaudited)
2012 - 2021

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Water Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
2012	\$ 2,950,604	\$ 1,513,113	\$ 1,437,491	\$ 565,000	\$ 329,463	1.61
2013	3,045,284	1,726,019	1,319,265	580,000	315,762	1.47
2014	2,921,725	1,714,538	1,207,187	595,000	305,115	1.34
2015	2,803,468	2,000,575	802,893	615,000	288,274	0.89
2016	2,823,439	2,296,255	527,184	625,000	273,025	0.59
2017	2,957,767	2,298,593	659,174	605,000	179,745	0.84
2018	3,076,928	2,310,930	765,998	615,000	176,882	0.97
2019	2,981,784	2,213,487	768,297	643,759	152,528	0.96
2020	3,055,090	2,520,355	534,735	560,000	196,567	0.71
2021	3,146,039	2,713,160	432,879	570,000	78,734	0.67

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Sewer Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
2012	\$ 2,563,519	\$ 1,209,474	\$ 1,354,045	\$ 910,339	\$ 286,531	1.13
2013	2,587,701	1,233,798	1,353,903	946,375	248,044	1.13
2014	2,763,304	1,556,720	1,206,584	984,785	206,368	1.01
2015	2,829,299	1,720,183	1,109,116	1,028,269	161,484	0.93
2016	2,706,151	1,800,547	905,604	1,053,896	129,941	0.76
2017	2,917,535	1,859,772	1,057,763	552,625	87,321	1.65
2018	2,906,327	1,835,009	1,071,318	655,194	63,137	1.49
2019	2,606,663	1,974,727	631,936	550,055	30,085	1.09
2020	2,608,218	2,615,425	(7,207)	85,000	30,624	(0.06)
2021	3,024,245	2,385,087	639,158	85,000	28,500	5.63

City of Fenton
Demographic and Economic Statistics (Unaudited)
2012 - 2021

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita ⁽²⁾ Personal Income	Unemployment Rate ⁽³⁾
2012	11,746	\$ 371,631,694	\$ 31,639	8.7
2013	11,746	380,817,066	32,421	6.2
2014	11,746	388,005,618	33,033	6.3
2015	11,746	409,676,988	34,878	6.2
2016	11,746	430,044,552	36,612	5.8
2017	11,746	460,419,708	39,198	5.0
2018	11,746	477,099,028	40,618	4.5
2019	11,746	295,764,280	25,180	4.8
2020	11,746	309,929,956	26,386	9.4
2021	11,746	N/A	28,834	8.4

Note:

(1) Source: Actual 2010 Census Reports.

(2) Source: Bureau of Economic Analysis. Note: 2021 data has not been released at this time.

(3) Source: Michigan Department of Labor & Economic Growth.

City of Fenton
Principal Employment Industries (Unaudited)
June 30, 2021

Industry	2021 Number of Jobs (1)	Percentage of Total	2012 Number of Jobs (1)	Percentage of Total
Trade, Transportation, and Utilities	26,000	20.59%	29,900	21.67%
Education and Health Services	24,900	19.71%	25,900	18.77%
Government	17,700	14.01%	20,700	15.00%
Manufacturing	12,300	9.74%	10,900	7.90%
Leisure and Hospitality	12,400	9.82%	14,600	10.58%
Professional and Business Services	16,000	12.67%	16,600	12.03%
Natural Resources, Mining, and Construction	5,300	4.20%	3,500	2.54%
Other Services	4,700	3.72%	6,100	4.42%
Financial Activities	5,900	4.67%	6,500	4.71%
Information	1,100	0.87%	3,300	2.39%
Total	<u>126,300</u>	<u>100%</u>	<u>138,000</u>	<u>100%</u>

Note:

(1) Source: Michigan Department of Technology, Management & Budget
Data for Genesee County

City of Fenton
Full-Time Equivalent Government Employees (Unaudited)
2012 - 2021

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	10	13	12	14	12	13	13	11	10	11
Public safety:										
Police	15	15	17	16	16	16	17	17	18	17
Building inspection	1	1	1	2	2	2	2	3	3	3
Fire	1	1	1	1	1	1	1	1	1	1
Public works:										
DPW	8	8	8	8	8	11	10	12	11	9
Water and sewer	8	8	8	8	8	8	7	7	9	9
Total	43	46	47	49	47	51	50	51	52	50

City of Fenton
Operating Indicators (Unaudited)
2012 - 2021

Function/ program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Election data										
Registered voters	9,198	9,407	9,438	9,426	9,672	9,367	9,330	9,401	10,224	10,138
Voters (at the polls or absentee)	2,266	5,852	1,105	6,164	1,950	5,884	1,527	5,144	5,169	6,940
Percent voting	23.33%	62.20%	11.71%	65.39%	20.16%	62.82%	16.37%	54.72%	50.56%	68.46%
Police										
Physical arrests	481	664	470	247	305	502	423	307	407	367
Traffic violations	1,808	2,260	1,675	1,090	1,176	1,564	1,229	1,666	1,494	1,532
Investigations	9,603	8,818	10,767	8,440	9,303	8,859	10,586	10,164	11,496	11,542
Fire										
Fire runs	304	259	298	356	262	331	337	336	336	318
Emergency medical runs	150	181	198	143	170	178	200	195	173	138
Inspections	125	100	200	300	250	100	150	230	402	128
Public works										
Miles of street resurfaced	1.80	1.60	-	0.63	0.95	-	0.53	-	-	0.58
Water										
Number of customers billed	3,501	3,494	3,509	3,500	3,574	3,580	3,616	3,685	3,666	3,717
Total consumption*	307,881	320,124	287,802	294,545	374,579	299,856	308,211	288,958	278,947	303,926
Average consumption per user	88	91	82	84	105	84	85	78	76	82
Sewer										
Average daily sewage treatment**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Water consumption in thousand gallons

**Sewer Plant is shared with other communities

N/A - data not available

City of Fenton
Capital Asset Statistics (Unaudited)
2012 - 2021

Function/ program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	11	11	11	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire response vehicles	8	8	8	8	8	10	9	9	9	9
Public works										
Streets (miles)										
Major streets	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.68	18.68
Local streets	35.05	35.05	35.05	35.05	35.05	35.05	35.05	35.05	37.07	37.07
Parks and recreation										
Acreage	172	172	172	172	172	172	172	172	172	172
Developed parks/ playgrounds	17	17	17	17	17	17	17	17	17	17
Developed fields (soccer, baseball, etc.)	1	1	1	1	1	1	1	1	1	1
Water										
Mains (miles)	64	64	64	64	64	64	64	64	64	64
Fire hydrants										
Storage capacity	1.5 mil gal.	1.5 mil gal.	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal
Sewer										
Miles of sanitary sewers	56	56	56	56	56	56	56	56	56	56
Miles of storm sewers	39	39	39	39	39	39	39	39	39	39